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Commentary on APEC's Impact on ASEAN

BK3107021190 Bangkok THE NATION in English 31 Jul 90 p 8

[Commentary by Dr. Noordin Sopiee, of the Institute of Security and Strategic Studies, in Kuala Lumpur entitled: "Seeds of Antagonism Germinate"]

[Text] Today, Thailand and its five partners in ASEAN, Japan, the United States, Australia, Canada, New Zealand and South Korea met in Singapore for the second meeting of the Asia Pacific Economic Cooperation [APEC] conference. It must be the hope of all that it goes well.

Unfortunately, there are many views as to what doing well means. And by no means is there a clear vision or equal commitment on the part of all its charter members.

This is not unnatural in any new enterprise. Let us not forget that some of today's most fervent Pacific advocates were some of yesterday's most outstanding Pacific laggards. And vice versa.

Again, we must not forget history and the feelings that arise from experience. Clearly, some of the negative vibes on APEC arose because of the seed, the genesis of the Asia Pacific Economic Conference process itself. We might do well to remember that originally, the intent was to include everyone except the Americans and the Canadians.

In addition, some of the fertilizer used to try to get the seed to take root consisted of an ample dosage of the excreta of bull. No wonder to a few key actors, it had something of a stink.

And in the Canberra conference, which some countries agreed to attend on the understanding that it would not be a "launch meeting," where a surprise-free scenario was expected, there were quite a few steam rollers at work.

All this is so much water under the bridge. Given that the APEC process will proceed and given that if APEC proceeds without ASEAN; we will not have a voice in its shaping. Hence there are substantial grounds for ASEAN to be on board.

Indeed, there would seem to be quite a number of potentially very useful functions that APEC can perform for ASEAN's benefit in the short, medium and longer term.

Uruguay Round discussions

Most immediately, useful discussions can be held on the Uruguay Round which has to be wrapped up before the end of this year. Important points can be stressed on agriculture, on services, about the need for the closest of consultations and the maintenance of an open, free and fair international trading system. About the imperative of fighting protectionism, unilateralism, and the rise of trading blocs. [sentence as published]

We have a situation today where the rich countries of the North are acting to foster the international system that favours their interests and to decide on the economic fate of the world. We in ASEAN have demanded that they do not do so without full consideration of the views and interests of the developing countries. We have very rightly argued the case for a North-South dialogue.

APEC is a North-South process. Indeed, of its members, seven are important countries of the South and five are important countries of the developed North. It is an imperfect forum but it is a North-South forum. And we must make full use of it to air our views and to turn its attention to issues that are of particular relevance to us. So far, this is exactly what we have been able to do within the APEC process.

There are of course a host of other reasons for participating in the process. Years ago, before others saw it coming, Malaysian Prime Minister Dr Mahathir Mohamad had warned of the danger of escalating Japan-US economic frictions and of the direct threats to us that would arise if the disputes between our two big friends were to be resolved in a way that does not take into account the interests of us, ASEAN little folk.

North bullying the South

More recently, he has expressed concern about the bullying of those developing countries that are doing well by countries that feel threatened by their dynamism and competitiveness. We have rightly and repeatedly expressed regret at the trend towards bilateralism, away from multilateralism.

Japan has an obvious interest in moving as much of its bilateral frictions with the United States as possible into a multilateral framework. So do we.

APEC can provide the framework for multilateral discussions and it can also play a moderating role in the economic conflicts between the giants and between the big and the small. It can allow us all to have a say in how the problems that confront us can be resolved without compromising the interests of others.

In the months and years ahead, there is the danger of excessive Eurocentricism—arising from Europe 1992 and the events in Eastern Europe—diverting especially the United States, but also such countries as Canada and Japan away from this part of the world.

There are dozens if not hundreds of European processes and institutions linking the countries on both sides of the Atlantic. APEC is one of the few linking us to the Pacific Rim.

It could be an important process which can be used to "anchor" the United States and others, to structuralize their interest in the Pacific in general and the ASEAN Community in particular. Of most direct relevance to us, the establishment of an ASEAN concert within APEC could also provide valuable and much needed cement for

ASEAN cohesion in the post-Cambodia era. This obviously is what we should aim at and work tirelessly for.

Undermining ASEAN cohesion

Unfortunately ASEAN cohesion cannot be assumed and can only be assured if ASEAN consults meaningfully and deeply on APEC and the issues that are to be discussed. And the APEC process will assuredly undermine ASEAN cohesion if some ASEAN countries feel that there is no need to work out an ASEAN consensus and that we can each act on our own.

A sub-ASEAN consensus, one to which only a few of the ASEAN members are party to, would of course be very damaging. The need for a substantial ASEAN consensus is a real issue because by no means can it be argued that all ASEAN states are firmly on board.

Given that APEC could be very positive for ASEAN cohesion and ASEAN interests, why it might be asked, should there be reservations on the part of some ASEAN countries and even within some ASEAN countries that are APEC enthusiasts? The reasons are three-fold at the root.

First, many who are deeply committed to ASEAN fear the dilution of ASEAN. Second, there is the fear of the diversion of ASEAN. The first stems essentially from external considerations. The second stems essentially from internal considerations.

Some have argued in the ASEAN PMC (Post Ministerial Conference) process—to which all the present members of APEC are a party—that the nucleus for an APEC process already existed even before Canberra. [South Korea's role could easily be expanded beyond "sectoral participation"] [brackets around preceding sentence are source-supplied]

It is argued that APEC merely takes the process out of ASEAN; and that with APEC we cannot reasonably expect the United States, Japan, Australia, New Zealand, Canada and South Korea to continue to give due weight to the ASEAN PMC process. The erosion may be gradual or it may be dramatic. But the expectation is there that ASEAN will be increasingly "peripheralized."

Second, we have already seen a reduction of commitment on the part of some ASEAN states to ASEAN as a value and as a mechanism for the achievement of their national goals. How many countries now accept ASEAN as the "cornerstone" of their foreign policies, as compared to 10 years ago?

The concern for the future prosperity of the ASEAN enterprise, arising out of the APEC "threat," cannot be understood if we do not appreciate the crucial, critical importance that some in ASEAN accord to ASEAN (and some no longer do).

We now come to the third root of the ASEAN reservation. The ASEANISTS who are cautious about APEC ask whether we should even take a minimal risk with an institution and a process that has been so beneficial to us all—in favour of a new institution and a new process whose benefits are for now and in the foreseeable future uncertain and problematic.

APEC is today a vivacious and striking young lady, a "cover girl," who is turning the heads of not only many of us in ASEAN and others in the Pacific but also many others further afield.

To what extent should we turn away from or risk damaging the relationship with the tried and trusted old lady, the ASEAN which has been so comforting and valuable in the past, and go out with this exciting young lady who promises much but has so far given nothing—and who may in the end mean nothing?

Quite obviously the task for ASEAN statemanship lies in strengthening ASEAN and in ensuring an APEC process that it wants and that will strengthen the Association. This can be done.

Equally obvious, the worst outcome is one in which we "lose" Asean and "lose" APEC at the same time. This too can happen.

But what of the task for APEC statesmanship? In the round and in the light of the present situation, there is a need for patience and for taking the APEC process only as fast and as far as the present levels of commitment and the demands of comprehensive membership will allow. To do otherwise is to take risks with an institution that could be extremely valuable to the entire Pacific in the longer term.

It must be the hope of all that the APEC meeting in Singapore that starts today will go well. In order for this to happen, wise counsel must prevail.

Further Reportage on APEC Meeting in Singapore

EC-APEC Talks Urged

SK3007084090 Seoul YONHAP in English 0728 GMT 30 Jul 90

[Text] Seoul, July 30 (YONHAP)—South Korean Foreign Minister Choe Ho-chung warned Monday that economic integration of the European Community might fuel protectionism and called on the Asia-Pacific nations to respond by opening their economies.

Addressing the second ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) in Singapore, Choe said: "Another immediate challenge for APEC is the impending emergence of a single European market and a move toward a larger European economic space encompassing all of the EC, Eastern Europe and EFTA (European Free Trade Association).

"No one can deny that some apprehension is felt about the possibility that, in the process of this evolution,

Europe could become so preoccupied with its own problems as to turn inward despite its repeated assurances to the contrary. In this regard, I share the view that APEC, by maintaining and even strengthening the outward-looking and open nature of its cooperative process, may possibly dissuade the EC from developing into an inward-looking trading bloc."

According to a report from the Korean Embassy in Singapore released by the Foreign Ministry, Choe urged APEC-EC "dialogue" to develop a cooperative partnership between the two groups.

Choe, predicting the transition of the East bloc to a market economy might shrink the financial resources available to APEC countries, said "closer cooperation" was needed with Western Europe and within APEC. He called the current account imbalances in some APEC nations "a serious problem" and said, "Japan, as the economic powerhouse of the region, is expected to play a more constructive role in this regard by expanding imports from APEC countries through domestic demand-led growth policy and structural reforms." He blamed severe fluctuations in the values of the U.S. dollar and Japanese yen for much of the economic uncertainty and fragility of Asia-Pacific financial markets.

"In this regard, we are encouraged that the recent G-7 summit recognized the need for multilateral surveillance and close coordination of economic policies for improved stability of exchange rates," Choe said. "It may be helpful, perhaps within the APEC framework, to have closer consultations with a view to identifying the underlying factors affecting exchange rates as well as the impact of exchange rate changes on shifting regional trade patterns. This could enable us to better adjust the policies of our respective governments and thus help improve the stability of exchange rates in the region."

Later in the day, Choe met separately with Joe Clark, Canadian secretary of state for external affairs, and Philippine Foreign Minister Raul Manglapus. He said Canada's recent proposal to establish a regional body for security cooperation was desirable but that the time was not ripe for its immediate founding.

Meeting with Manglapus, Choe explained South Korean policies regarding inter-Korean dialogue and U.N. membership and urged Manila to consult Seoul closely before improving relations with Pyongyang. Manglapus requested active participation in multilateral aid for the Philippines and expressed full support for Seoul's policies on U.N. membership.

'Highlights' of Communique

OW3107092990 Tokyo KYODO in English 0913 GMT 31 Jul 90

[Text] Singapore, July 31 KYODO—The following are the highlights of a joint communique issued Tuesday at the end of a ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum.

Foreign and trade ministers of the 12 countries:

—Stressed that the enhancement of APEC would complement and strengthen the constructive role played by ASEAN—Association of Southeast Asian Nations.

—Reaffirmed that APEC is outward-looking and does not aim to form a trading bloc.

—Welcomed the concerted efforts made by all trading nations in conducting structural adjustments in their respective countries, including the Structural Impediments Initiative (SII) talks, and the external effects that these would also have on third countries.

—Agreed that the transfer of technology is an essential element of economic development and recognized that efforts were needed to improve the access of economies in the Asia-Pacific region to productive technologies.

—Agreed that the primary objective of APEC this year was to ensure a successful conclusion to the Uruguay Round. They expressed grave concern that differences remained in key areas of the negotiations. They also agreed to conduct an immediate review of all negotiating positions to facilitate a breakthough when trade negotiations resume in August.

—Agreed that a continuing central theme of APEC would be the promotion of a more open trading system. They also agreed that APEC should work toward developing an agenda for regional trade liberalization.

—Expressed their support for and looked forward to the opening of the central and East European economies in the world.

—Discussed the effects of the transition from centrally planned to market economies in (central and Eastern Europe), and their implications for the Asia-Pacific region.

—Agreed that the changes (in central and Eastern Europe) could provide new export markets for APEC countries but the ministers warned that increased demand for global funds could push up world interest rates, which could have negative implications for the world's payment mechanism.

—Expressd the hope that the creation of a single European market would not lead to the emergence of an outward looking, dynamic economy and not a more restrictive trading bloc.

—Acknowledged the particularly significant role in the Asia Pacific region of China, Taiwan and Hong Kong.

—Agreed that consulations should proceed with the three economies with a view to reaching arrangements agreeable to China, Taiwan and Hong Kong, as well as the current members of APEC for all three to participate in APEC at the same time, either at the Seoul meeting or as soon as possible thereafter.

—Agreed that they will meet in Seoul in 1991, Thailand in 1992 and the United States in 1993.

—Endorsed seven work projects, including a reliable data base on trade and investment flows among the APEC countries.
—Agreed on programs for trade promotion, including exchanging trade and industrial information, missions, facilitating trade fairs and training courses with the private sector playing an important role.
—Agreed to establish an investment and technology information network for the Asia-Pacific region and "techno-parks" which will give out information on how to expand investment and technology transfers.
—Agreed to study a specific prototype project on telecommunications emphasizing human resorce development, technology transfer and telecommunications standardization.

Further on Communique

BK3107111390 Hong Kong AFP in English 1005 GMT 31 Jul 90

[Text] Singapore, July 31 (AFP)—Asia-Pacific countries, worried that crucial international trade talks have stalled, Tuesday urged all parties to review their negotiating positions in hopes of achieving a breakthrough.

In a final communique, economic and foreign affairs ministers of the Asia-Pacific Economic Cooperation (APEC) forum said their primary objective this year was a successful conclusion of the Uruguay Round of negotiations under the General Agreement on Tariffs and Trade (GATT). The ministers also endorsed seven work projects in areas ranging from cooperation on trade and investment data to human resources development, telecommunications and energy cooperation.

They agreed to proceed with consultations with China, Taiwan and Hong Kong so that the three could participate in future APEC meetings, either at the Seoul ministerial session scheduled for mid-October 1991 or shortly thereafter.

They decided to keep under review in subsequent meetings the question of additional participation. Countries from Mongolia to Mexico have expressed varying degrees of interest in joining, APEC delegates said.

APEC members are Australia, Brunei, Canada, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Thailand and the United States.

Key excerpts from the 30-point communique included:

—GATT

"Ministers expressed grave concern that differences remained in key areas of the negotiations.... Each minister agreed to conduct an urgent review of all negotiating positions with a view towards finding increased flexibility and thereby facilitating a breakthrough in the negotiations which would resume on 27 August 1990. Ministers urged all non-APEC participants in the Uruguay Round to conduct similar reviews."

—General Trade and Economy

"Ministers agreed that a continuing central theme of APEC, following the completion of the Uruguay Round, would be the promotion of a more open trading system.... It was desirable to reduce barriers to trade in goods and services among participants."

They spoke of the urgent need to bridge economic disparities in the region, where developing economies "will need to compete actively for scarce resources by following more market-oriented policies." They hoped the creation of a single European market would not result in a more restrictive trading bloc. They noted that strong economic growth promotes security in the region.

—Work Projects

1. Review of trade and investment data with priority to improving comparability of merchandise trade data.
2. Trade promotion cooperation involving exchanges of information and missions, and encouraging private sector activities.
3. Expansion of investment and technology transfer, involving a regional information network.
4. Human resource development, particularly looking at the serious shortage in Southeast Asia of national development policy planners and coordinators as well as of private sector managers and engineers.
5. Energy cooperation with stress on information exchange, conservation, research and development and technology transfer.
6. Marine resource conservation, with initial focus on marine transport of hazardous substances, discharge of marine pollutants and the problem of marine debris.
7. Telecommunications, with a study of a prototype project.

—Future APEC Participation

"Recognizing that APEC is a non-formal forum for consultations among high-level representatives of economies with strong or increasing economic linkages in the Asia-Pacific region, ministers agreed to keep under review in subsequent meetings the question of additional participation.

"Ministers acknowledged the particularly significant role in the Asia Pacific region of the three economies of the PRC (People's Republic of China), Taiwan and Hong Kong, both in terms of present economic activity and their importance for the region's future prosperity.

"They reaffirmed their view, expressed (at the first APEC meeting) in Canberra in 1989, that it was desirable for these three economies to participate in future APEC consultative meetings.

"Ministers agreed that consultations should proceed with the three economies, with a view to reaching arrangements agreeable to those three and to the current members of APEC for all three to participate in APEC at the same time, either at the Seoul meeting or as soon as possible thereafter."

'Three Chinas' Membership

BK3107095290 Hong Kong AFP in English 0925 GMT 31 Jul 90

[Text] Singapore, July 31 (AFP)—The Asia-Pacific Economic Cooperation (APEC) ministerial meeting Tuesday set the end of next year as a target for participation of China, Taiwan and Hong Kong in the regional forum.

In a final communique released at the end of a two-day meeting here, APEC ministers said consultations should proceed so that all three could participate in APEC "at the same time, either at the Seoul meeting (in October 1991) or as soon as possible thereafter."

China had initially asked to be admitted first, but some APEC delegations feared a possible Beijing veto could jeopardize participation by Taiwan and Hong Kong, APEC sources said.

The communique said consultations should proceed with the three "economies" of China, Taiwan and Hong Kong "with a view to reaching arrangements agreeable to those three and to the current members of APEC."

Western APEC members and Japan had pushed for admission, but Southeast Asian members, traditionally mistrustful of China, were reluctant to act quickly, delegates said.

China views Taiwan as a province, while Hong Kong is a British colony set to revert to Chinese rule in 1997.

The "three Chinas" question was one of the thorniest issues discussed at the APEC meet, attended by Australia, Brunei, Canada, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Thailand and the United States.

'Concern' Over GATT

BK0108042490 Kuala Lumpur BERNAMA in English 0314 GMT 1 Aug 90

[By Syed Imran Alsagoff]

[Text] Singapore, Aug 1 (OANA-BERNAMA)—The just concluded second Asia-Pacific Economic Cooperation (APEC) ministerial meeting has expressed grave concern that differences remained in key areas of the Trade Negotiations Committee (TNC) meeting.

The APEC ministers reviewed the July TNC meeting in Geneva and called for urgent efforts to overcome them and committed themselves to advancing the negotiations in accordance with the deadlines set forth in the TNC.

"In the light of such commitments, each minister agreed to conduct an urgent review of all negotiating positions with a view towards finding increased flexibility and thereby facilitating a break through in the negotiations which would resume on August 27," they said in a joint statement at the end of the two-day meeting Tuesday [31 July].

The APEC ministers also urged all non-APEC participants in the Uruguay Round to conduct similar reviews. They agreed that the primary objective of APEC this year was to ensure a successful conclusion of the Uruguay Round which was essential to preserve and enhance the open multilateral trading system on which their economies all depended.

Monday, the APEC ministers issued the Singapore APEC Declaration on the Uruguay Round and directed that consultations on the round between APEC representatives should be intensified.

In their statement Wednesday, the ministers agreed that a continuing central theme of APEC, following the completion of the Uruguay Round, would be the promotion of a more open trading system. They agreed in this respect that it was desirable to reduce barriers to trade in goods and services among participants, so long as any such liberalisation was consistent with GATT (General Agreement on Trade and Tariff) principles and was not to the detriment of other parties.

The statement also said that the Singapore meeting acknowledged the particular significant role in Asia-Pacific region of the three economies of China, Taiwan and Hong Kong, both in terms of present economic activity and their importance to the region's future prosperity. They reaffirmed their view, expressed in Canberra in 1989, that it was desirable for these three economies to participate in future APEC consultative meetings.

"Ministers agreed that consultations should proceed with the three economies, with a view to reaching arrangements agreeable to those three and to the current members of APEC for all three to participate in APEC at the same time, either at the Seoul meeting or as soon as possible thereafter."

The third APEC ministerial meeting will be held in Seoul in October next year while the fourth will be held in Bangkok in 1992 and the fifth in the United States in 1993.

Twenty-five foreign and economic ministers from Australia, Brunei Darussalam, Canada, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Thailand and the United States attended the meeting.

Thai Minister Reports on APEC

BK0208035990 Bangkok Domestic Service in Thai 0000 GMT 2 Aug 90

[Text] Commerce Minister Subin Pinkhayan returned home yesterday afternoon from the Asia-Pacific Pacific Economic Cooperation [APEC] meeting held in Singapore from 30-31 July. After his arrival at the Bangkok airport, he told reporters that the economic expansion in the Asia-Pacific region was widely discussed. At the meeting it was agreed that the economy in the region has been growing at a satisfactory rate, and that the results of

the past Uruguay Round of multilateral trade talks are an essential factor for the promotion of the free trade system in the Asia-Pacific region. At the meeting it was therefore agreed that the countries in the region should further reduce trade barriers among themselves without contradicting GATT rules and regulations or affecting their own trade with third countries.

Due to the lack of progress in the Uruguay Round of multilateral trade talks in Geneva, it was concluded at the meeting that Asian and Pacific countries must review their stances to be more flexible and agreeable, and urge cooperation from all countries concerned, because the GATT agreement will be made by the end of this year. On this issue, the United States, Japan, and the European Community [EC] have agreed with each other that there is a need for more seriousness, sincerity, sacrifice, and compromise in future negotiations. Moreover, Australia and Canada have pledged to push jointly for success in the negotiations. The Asian and Pacific countries have set the date for their next meeting in Vancouver, Canada, at 11-12 September.

Greenpeace Sues Over U.S. Moving Nerve Gas

BK0208020290 Hong Kong AFP in English 0136 GMT 2 Aug 90

[Text] Vila, Aug 2 (AFP)—A court action to prevent the United States from moving its nerve gas stocks from West Germany to the Pacific has been filed in Hawaii, the environmental group Greenpeace said in a statement here Thursday.

Greenpeace, the Institute for the Advancement of Hawaiian Affairs, the World Council of Indigenous Peoples and the Sierra Club legal defense fund on Wednesday filed the suit in U.S district court against the U.S. Army and the Department of Defense, the statement said.

The shipments from Clausen and Miesau, West Germany, to the port of Nordenham began last week and are to be taken to Johnston Island, a remote atoll southwest of Hawaii, for incineration.

Greenpeace said their suit cites the hazard of shipping gas canisters from West Germany, the substantial danger of incineration, and the need to investigate safer methods for the destruction of the gas.

The action came as the South Pacific Forum meeting here said it felt strongly that the region should not be used as a dumping ground for the world's wastes.

Greenpeace spokeswoman Bunny McDiarmid said it was obvious from the forum statement Wednesday night that the Pacific was unconvinced by U.S. claims that the burn-off posed no serious environmental risks.

Indonesian Addresses Conference on Disarmament

BK3007112190 Jakarta ANTARA in English 0938 GMT 30 Jul 90

[Text] Jakarta, July 30 (OANA-ANTARA)—Indonesia has said that the arms race absorbs far too great a proportion of the world's resources and that the decrease in international tension should lead to a reallocation of defense expenditure for international development.

Hadi Waayarabi, minister counsellor at the Indonesian permanent representative to the United Nations, in Geneva Monday presented his goverment's views on various questions before the ongoing United Nations Conference on Disarmament in Geneva. He said that despite the magnitude of military expenditure which still contrasts dramatically with economic and social underdevelopment, misery and poverty, there are new and positive developments towards the reduction of armament. That will allow a greater redeployment of resources used for the arms race to development.

There was a profound need of awakening the spirit of internationalism in order to oppose any underestimation of national defense expenditure, on the grounds that the decrease in international tension should lead to a reallocation of defense expenditure for international development, he elaborated.

During the last few years, he further said, there had been a widely shared expectation that the chemical weapons convention was within reach. The idea to rephrase challenge inspection, to inspection on request, was constructive. That type of verification should not be conducted on the basis of a strong motivation of suspicion, he added.

The idea to link the destruction of all chemical weapons to the adherence of certain catagories of states could lead to the continuing existence of such weapons by including states which had not possessed chemical weapons to acquire them prior to the entry into force of the chemical weapons convention, he said.

As the conference wished to conclude a convention with universal adherence, he said, it should consider the interests of majority of states which did not possess, or intend to possess, chemical weapons. The convention, however, should not hinder international cooperation or trade in chemicals for peaceful purposes, he said. As a non-chemical weapon state, Indonesia has always stood for the total prohibition and destruction of existing chemical weapons, Hadi Waayarabi stressed.

Japan

Government Reacts to Iraqi Invasion of Kuwait

Calls for Troop Withdrawal

OW0208101090 Tokyo KYODO in English 0957 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 KYODO—Japan denounced Iraq's invasion of Kuwait on Thursday and called for the immediate withdrawal of Iraqi troops from its tiny oil-rich neighbor. The Iraqi attack is "extremely regrettable," top government spokesman Misoji Sakamoto said.

"Japan is very concerned that the situation will worsen, and requests Iraq to immediately withdraw its troops." Sakamoto, who is chief cabinet secretary, said in a prepared statement read to a regularly scheduled news conference. Vice Foreign Minister Takakazu Kuriyama repeated the statement to Iraqi Ambassador to Japan Dr. Rashid M.S. al-Rifa'i, who said he would forward the protest to Baghdad, a Foreign Ministry official said. In the statement, Sakamoto said he strongly hoped the two countries would resolve their dispute over territory, oil rights, and money through discussion rather than force.

Al-Rifa'i protested Japan's perception of Iraq's military action as an "invasion," Foreign Ministry officials said. The ambassador said Iraq had moved its military into Kuwait at the request of a new revolutionary Kuwaiti Government to prevent foreign intervention.

"If we are asked to leave by the revolutionary government we will depart right away," Al-Rifa'i was quoted saying.

Kuriyama told Al-Rifa'i in a 10- minute conversation that Japan strongly regrets the situation, particularly the Iraqi "invasion" of Kuwait, a ministry official said. Kuriyama also referred to Sakamoto's earlier remarks, which called for an immediate withdrawal of Iraqi troops from Kuwait.

Al-Rifa'i rejected the use of the word "invasion" to describe what had happened, and said such an expression does not reflect the real situation. He said that Iraq took the actions it did at the request of the new government. But Kuriyama said that the government of Japan "does not share such a perception" and added that it is "wrong."

Al-Rifa'i said he would convey Kuriyama's message to his home government. He said Iraq is ready to leave Kuwait, as there is no need to stay if there is no more foreign intervention from abroad.

Kuwait charge d'affaires 'Abd al-Muhammad al-Hasan, in a visit to the Foreign Ministry earlier in the day, said the whole Kuwaiti capital has fallen under Iraqi control, according to a ministry official. He asked Japan to continue its support for the Kuwaiti Government, the official said.

Kuriyama, Business React

OW0208154490 Tokyo KYODO in English 1458 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 (KYODO)—Japan denunciated Iraq's invasion of Kuwait on Thursday and called on it to immediately withdraw its troops from its tiny oil-rich neighbor.

The Iraqi attack is "extremely regrettable," top government Spokesman Misoji Sakamoto said.

"Japan is very concerned that the situation will worsen, and requests Iraq to immediately withdraw its troops." Sakamoto, who is chief cabinet secretary, said in a prepared statement read to a regularly scheduled news conference. In the statement, Sakamoto said he strongly hoped the two countries would resolve their dispute over territory, oil rights, and money through discussion rather than force.

Vice Foreign Minister Takakazu Kuriyama repeated the statement to Iraqi Ambassador to Japan, Rashid M. S. al-Rifa'i. Kuriyama told Al-Rifa'i in a 10-minute conversation that Japan regrets the situation, particularly the Iraqi "invasion" of Kuwait. Al-Rifa'i rejected the use of the word "invasion," and said it did not reflect the real situation.

In advance of the planned visit by Prime Minister Toshiki Kaifu to Middle East nations in mid-August, the Foreign Ministry said it will call on Saudi Arabia and Egypt, key mediators between Iraq and Kuwait, to use their good offices for an early resolution of the dispute.

International Trade and Industry Minister Kabun Muto also expressed concern about crude oil prices. At a press conference on his return from a four-day trip to Singapore to attend the Asia-Pacific Economic Cooperation (APEC) conference, Muto said that unless the matter is settled peacefully soon, world crude oil prices will naturally go higher.

"I am seriously concerned about the possibility that the situation will lead to higher oil prices and a lower yen," he said.

In reaction to Iraq's invasion, world oil prices soared to their highest level in more than four years. The news also touched off panic selling and sent Asian stock markets plummeting, while in foreign exchange markets the dollar surged. But some MITI officials were optimistic and said the invasion will not lead to another oil crisis.

"Taking into account massive oil stocks in Japan and supply from other Gulf nations, the dispute will not have much effect on the Japanese oil market," a MITI official said.

The Japanese Government may consider reviewing its decision in February to unfreeze Japan's loans to Iraq, informed sources said. Japan had agreed to reopen its credits to Iraq, on hold since 1985 due to delays in repayments, in order to help restore the Iraqi economy.

devastated by the eight-year Iran-Iraq war. The Defence Agency also warned against mounting regional disputes following the thaw in the East-West cold war. Tomoharu Yoda, the agency's vice director general, said the incident is a reflection of arms diffusion to smaller countries after the detente among major powers.

"It is most urgent that countries make efforts to prevent further eruption of regional conflicts," Yoda told reporters.

Meanwhile, business circles are worried about the adverse effects of the invasion on their activities, including possible price surges in oil and oil products and a decline in exports. Officials at Mitsubishi Motors Corp. said an oil price rise would be a significant "body blow" for automakers. Toyota Motor Co., which exports 8,000-9,000 auto vehicles annually to Kuwait, the second biggest market for the auto giant following Saudi Arabia, said the impact will be big if the dispute is protracted.

Some big enterprises have been forced to stop their planned projects with Kuwait. Mitsubishi Heavy Industries Ltd. said it has decided to halt a multibillion yen contract with Kuwait for a thermal power generation plant. Major trading houses also expressed wariness about the impact of likely economic sanctions against Iraq.

Mitsubishi Corp, a leading importer of Iraqi oil, said that it will be hit hard if the government imposes embargoes on trade with Iraq in protest at the invasion. The oil industry, however, is relatively calm about the news of Iraq's invasion and its blockage of Kuwaiti ports, which may virtually suspend shipments from Kuwait.

"There is no fear that the blockage will cause a serious reduction in oil supplies, as Kuwaiti oil accounts for only 5 percent of Japan's crude imports," an official at Idemitsu Kosan Co. said. But oil importers agreed that oil prices will surge, temporarily at least, and may top 25 dollars per barrel, a level strongly advocated by Iraq at a meeting last month of the 13-nation Organization of Petroleum Exporting Countries (OPEC). The news also made Tokyo financial markets nervous.

Market analysts said the dollar, which has been weakening in recent weeks due to the narrowing interest rate differential between Japan and the United States, will likely recover steam, as investors are expected to actively support the currency, believed to be a "safe haven" during international upheavals.

The prospect of higher oil prices also works against the yen, since investors consider Japan, a major oil importer, as very vulnerable to price rises. The dollar finished Tokyo dealings at 148.90 yen on Thursday, a 2.25 jump from Wednesday's close of 146.65 yen.

Kaifu Tour Still Scheduled

OW0208161790 Tokyo KYODO in English 1502 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 (KYODO)—The government said Thursday that Prime Minister Toshiki Kaifu will travel to the Middle East in mid-August as planned despite Iraq's invasion of Kuwait, but a government source indicated that Japan is prepared to reschedule the trip if requested.

"We are watching the situation very carefully, but at this stage there are no changes," Chief Cabinet Secretary Misoji Sakamoto said. A government source said, however, there is a possibility that some of the countries could request the trip be rescheduled. The visit as planned would take Kaifu to two Middle Eastern nations which have played a key role in trying to mediate the dispute—Saudi Arabia, which shares a border with both Iraq and Kuwait, and Egypt. Kaifu is also slated to travel to Turkey, Oman, and Jordan.

Sakamoto told a news conference he did not expect the invasion to have an effect on Japan's supply of oil as long as the conflict did not become drawn out. Japan has enough oil reserves to last for 142 days, he said.

Japan imported 68 percent of its crude oil from the Middle East in the fiscal year which ended in March last year, with imports from Kuwait accounting for about 4.6 percent of the total, according to government statistics.

In the past Japan's relations with the Middle East have been dominated by its heavy dependence on oil from the region. Foreign Ministry officials, however, have portrayed Kaifu's upcoming trip as an opportunity for Japan to demonstrate that the region has not been forgotten in the wake of changes in Eastern Europe, as well as Japan's willingness to contribute to international peace and stability. Japan joined other major industrialized nations at last month's Houston summit in expressing concern that regional conflicts may flare up in the aftermath of the cold war.

Oil Crisis Concern Dismissed

OW0208092690 Tokyo KYODO in English 0821 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 KYODO—There is no immediate concern about any serious oil shortage in Japan arising from Iraq's invasion of Kuwait, an official of the Ministry of International Trade and Industry (MITI) said Thursday.

Ryozo Hayashi, director of the international energy policy division at the agency of natural resources and energy, pointed to the relatively small percentage—5.9 in the first six months of 1990—of Japan's total crude oil imports that come from Kuwait and said Japan has an ample 142-day reserve supply of oil.

"I don't see any possibility that (the invasion) will cause panic or a serious oil crisis in Japan in the near term."

Hayashi said. "Even if the imports from Kuwait should stop completely, the loss would be filled up by increased imports from some other exporters," he said. "There is unlikely to be any significant impact on domestic prices of oil-related products," he added. Referring to the international crude oil market, Hayashi said, "the market is affected not only by the actual supply-demand situation, which is by no means tight at present, but also by speculations." "Yesterday's upswing of the benchmark west Texas intermediate on the New York oil futures market was apparently caused by rumors about the invasion."

"I can't rule out the possibility that international prices may move up, reflecting the market's reading of the future development of the affair," he said.

U.S. Agreement on Telecom Market Access Reached

OW0208014090 Tokyo KYODO in English 0103 GMT 2 Aug 90

[Text] Washington, Aug. 1 KYODO—Japan and the United States have reached agreement on giving American and other foreign firms greater access to the Japanese telecommunications market, officials said Wednesday.

A U.S. trade official said the two countries will initial the pact Wednesday night.

Japanese and U.S. officials said the agreement came after more than a week of negotiations on network communications terminal equipment, digital service units and international value added networks (VAN).

U.S. Trade Representative Carla Hills's office will release a statement on the telecommunications pact following a signing ceremony, a spokesman said.

Earlier in the day, Hills said in an interview with Cable News Network (CNN), "We have achieved an agreement dealing with digital equipment in the telecommunications field which is very welcome."

"And we've very close to an agreement on international value added services which will make an enormous difference to our industries which are supercompetitive in the telecommunications field," she said.

A U.S. official said the telecommunications issue has been one of the key problem areas in Japan-U.S. trade relations.

The two countries are yet to settle disputes over amorphous metals and construction services.

Further on Agreement

OW0208053790 Tokyo KYODO in English 0320 GMT 2 Aug 90

[By Shiro Yoneyama]

[Text] Washington, Aug. 1 KYODO—Japan and the United States successfully concluded telecommunications talks Wednesday with a comprehensive agreement that will help give American firms more access to the Japanese marketplace.

Japanese and American officials announced the agreement covering international value-added networks and network channel terminating equipment after two weeks of negotiations here.

"While Japan retains a substantially regulated telecommunications system," U.S. Trade Representative Carla Hills said, "this agreement represents an important step towards giving U.S. firms in Japan access comparable to the access Japanese firms enjoy in the U.S."

A dispute over corporate telecommunications was among the most contentious issues that kept the two countries from initialing the pact until Wednesday night. Commenting on that issue, Hills said, "in a major breakthrough, all U.S. firms in Japan will now be able to provide corporate communications—internal, among affiliates and with regular customers and suppliers—essentially free from regulatory procedures."

A senior Japanese negotiator said the two countries "stopped the clock" Tuesday to beat an August 1 (Monday) deadline to avoid threats of unfair trade penalties from U.S. lawmakers.

Under an agreement of March 30, the two countries had agreed to settle any dispute over impediments to telecommunications trade within 120 days.

Japanese officials said the new agreement calls for Japan to permit services such as voice mail, drop 20 percent surcharges for leased international telecommunications facilities and simplify regulatory procedures, all effective from September 1.

In addition, they said, Japan also agreed to allow foreign firms in Japan to provide corporate communications.

Hills said in a statement the step would enable U.S. manufacturing, financial and other companies doing business with Japan to "run those operations more easily and economically."

As part of the agreement on international value added network (VAN), Japan agreed to permit U.S. firms to offer voice mail and other advanced services not only within Japan, but also from Japan to the U.S. and to other countries where international VAN services are not banned.

A Japanese trade official said that with the agreement, Japan will join the U.S. and Britain as being the only countries with such open-arm international VAN policies.

Hills also hailed the part of the agreement that covers network channel terminating equipment (NCTE) and removes the Japanese regulations under which only manufacturers of such equipment have been able to sell it in Japan to carriers.

"The agreement provides that all interested parties, including U.S. suppliers, will have greater input into the decision-making process for NCTE in Japan," she said. "With the conclusion of the NCTE agreement, I believe that we have reached near parity in the treatment accorded providers of customer premises equipment in Japan and the U.S."

U.S. industry sources put an estimated U.S. share of the Japanese NCTE market at 150 million dollars a year, or roughly 20 percent.

Japanese officials said that the number of NCTEs in Japan totals about 200,000. Nippon Telegraph and Telephone predicts that the number of integrated services digital network (ISDN) will reach 750,000 by the end of fiscal 1995.

Matsunaga Urges Flexibility in Aid to USSR

OW2907064690 Tokyo KYODO in English 0631 GMT 29 Jul 90

[Text] Karuizawa, Nagano Pref. July 29 KYODO—Former Japanese Ambassador to the United States Nobuo Matsunaga on Sunday urged Japan to take a more flexible stand on financial assistance to the Soviet Union.

"Unless we can afford interesting things for (Soviet President Mikhail) Gorbachev, he won't be able to come to Japan in order to start negotiations on the northern islands' territorial dispute," Matsunaga told reporters. Matsunaga, an adviser to the Foreign Ministry, cited capital and technology as enticements that would make Gorbachev's visit to Japan attractive for the Soviet people.

On Friday Gorbachev said he plans to visit Japan next spring for a three-to-four-day visit, including a trip to Hiroshima. His remark followed a threat earlier in the week to cancel the planned trip if Japan insisted on focusing solely on the dispute over four islands north of Hokkaido, described by Japan as the northern territories.

Speaking in a private capacity, Matsunaga said he regretted Japan's display of "excessive rigidity" toward the Soviet Union at the Houston summit of seven major industrialized countries.

"Negotiations (on the northern territories) have not started yet," Matsunaga said. "We have to be realistic and flexible enough to conclude negotiations," he said.

At the July 9-11 summit the leaders of six other industrialized nations expressed solidarity with Japan, and called for an early resolution of the territorial issue as a step toward normalizing Japanese-Soviet relations. At the time Prime Minister Toshiki Kaifu told the summit leaders that Japan would be unable to provide financial assistance to the Soviet Union because of the dispute.

Matsunaga indicated a successful resolution to the 45-year-old diplomatic feud should include confirmation that, legally speaking, the islands belong to Japan. The solution should also take into consideration the situation of the estimated 16,000 Soviet citizens inhabiting the islands, he said. On the future of Asia, Matsunaga said it is crucial for Japan and the United States to infuse large sums of money and technology in the Pacific rim region to ensure it is not left behind the European Community, which is to become a single integrated market in 1992.

Matsunaga, freshly back from a tour of Indonesia, Thailand, and Malaysia, said leaders there expressed support for Japan's resumption of yen loans to China announced at the summit. The loans, totaling 810 billion yen, were frozen following Beijing's military crackdown on pro-democracy demonstrators in June 1989.

"They have a serious concern that once China becomes unstable, it will affect inevitably the stability of their countries," he said. Matsunaga said that he reassured Japan's southern neighbors that Tokyo will not return to its prewar role as a strong leader of Asia, or regional military power. Earlier in a speech before a seminar here sponsored by the ruling Liberal Democratic Party, Matsunaga said that Japan must build stronger friendships in Asia in order to gain support for a permanent seat on the United Nations Security Council.

USSR Group Requests Aid for Radiation Victims

OW0208111990 Tokyo KYODO in English 1009 GMT 2 Aug 90

[Text] Hiroshima, Aug. 2 KYODO—Representatives of a Soviet grassroots antinuclear group called on Hiroshima Mayor Takeshi Araki Thursday to ask for Japanese medical aid for radiation victims living near the main Soviet nuclear-bomb test site, city officials said.

Thirteen members of the Nevada-Semipalatinsk Movement (NSM), led by NSM Chairman Olzhas Camrovich Suleimenov [name as received], made the request when they visited Araki at his office in Hiroshima.

The delegation is currently on a weeklong visit to Hiroshima to attend the ban-the-bomb conference here to mark the 45th anniversary of the atomic bombing of the city on August 6, 1945.

During a 30-minute meeting, Suleimenov said those living near the Semipalatinsk underground nuclear test site in the central Asian republic of Kazakhstan are having their health ruined, and mostly dying at an early age, as a result of the blasts carried out since 1950s.

He also said the victims need immediate medical treatment as that given by Soviet authorities has been deficient.

Since the symptoms of radiation sickness are similar to those suffered by Japanese victims of the U.S. atomic bombs that devastated Hiroshima and Nagasaki in 1945.

Hiroshima's experience in treating atomic bomb survivors could be applied to the Soviet victims, he said.

Although Araki did not comment on specific aid, he suggested that as a first step, the Soviet victims should consult with some Japanese medical experts.

After the meeting, the NSM group visited the peace memorial park in central Hiroshima and laid a wreath of flowers at the cenotaph in memory of the atomic bomb victims.

Daily Reports Japan's ROK-PRC Summit Offer

OW0108134090 Tokyo KYODO in English 1241 GMT 1 Aug 90

[Text] Seoul, Aug. 1 KYODO—Japan has offered to help arrange a summit meeting between South Korean and Chinese leaders if they come to Japan to attend the enthronement of Emperor Akihito in November, a Seoul evening newspaper reported Wednesday.

The JOONGANG ILBO said the Japanese Government indicated it would try and set up a meeting between South Korean President No Tae-u and Chinese Communist Party leader Jiang Zemin or President Yang Shangkun. The newspaper quoted a South Korean Government official as saying, "the Japanese Government has been strongly urging President No Tae-u to attend the enthronement ceremony through an unofficial route since June."

The official reportedly said if the Japanese Government guarantees the holding of summit talks between South Korea and China, Seoul may change its plan to send the prime minister and have the president attend. The official was quoted as saying that the South Korean Government's original plan of sending Prime Minister Kang Yong-hun is still pending, and that it has not yet informed Tokyo of the name of the person who will be attending the ceremony scheduled for November 12.

Prodemocracy Chinese Ask for Visa Extension

OW0208141290 Tokyo KYODO in English 1326 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 KYODO—Five Chinese nationals who said they took part in China's pro-democracy movement Thursday urged the Japanese Government to extend their visas, saying they fear political persecution if they are sent back home.

The five, who presented their appeal in a meeting with reporters, said they participated in the pro-democracy movement either in Beijing or Tokyo and they are facing problems in renewing their visas.

"None of our friends who were arrested for participating in pro-democratic activities have been released. One received 10 years in prison for antirevolutionary crimes, and one is still missing," said a 35-year-old Chinese man who declined to be further identified.

He said he was interrogated by Chinese authorities for his part in last year's demonstrations in Beijing during a temporary visit home from Japan.

Deng Chunmu, 26, said Japan's immigration officials have refused to renew his visa although he is registered at a university in Tokyo.

The five Chinese said they are members of the Federation for Democracy in China, a Paris-based Chinese dissident group.

Another Chinese national, Yang Mingfang, 33, said he finished graduate school this April and Japanese immigration authorities have not approved his application to extend his visa to sit for the entrance examination for a college to continue his study.

He said despite his request for a visa extension, the Tokyo Immigration Bureau on Thursday stamped his passport with an order to go home by August 27.

Yang criticized immigration officials' attitudes as lacking in logic. He noted that on the same day an official issued a stamp for his friend Chen Shishen stating "this person is applying for a visa extension" when Chen attended the office with a television crew.

His previous stamp had said he must go home by August 4.

Taiwan Bank Allowed To Open Office in Tokyo

OW3107101890 Tokyo KYODO in English 0810 GMT 31 Jul 90

[Text] Tokyo, July 31 KYODO—The Finance Ministry has given permission to Chang Hwa Commercial Bank of Taiwan to open a representative office in Tokyo, ministry sources said Tuesday.

The ministry has so far been cautious about allowing Taiwan banks into Japan out of concern that it could affect Japan's relations with China.

With the advancing globalization of financial markets, however, the ministry has decided to take a more flexible attitude toward representative offices, which as a rule do not engage in banking activities, the sources said.

Two other Taiwan banks, Hua Nan Commercial Bank and the First Commercial Bank of Taiwan, are also said to be planning such offices in Tokyo and the ministry is expected to give them permission to do so, they said.

Japanese Banks Extending Credit to Indonesia

OW2707180990 Tokyo KYODO in English 0848 GMT 27 Jul 90

[Text] Nagoya, July 27 KYODO—Tokai Bank Ltd. said Friday it will extend a credit totaling 85 million dollars to Indonesia jointly with 16 other domestic banks and one from abroad. The Nagoya-based bank will be the lead manager with three other Japanese banks and the Banque Indosuez of France.

The package, to be granted to the Bank Pembangunan Indonesia, the largest development bank in the nation, is comprised of 58 million dollars in direct loans and 27 million dollars in guaranteed fees. The floating interest rate will be based on the Singapore interbank offered rate (SIBOR). The recipient development bank is in charge of finance for medium-to-long-term investment in plants and equipment by Indonesian companies.

Sanyo Sets Up Joint Steel Venture in Thailand

OW2507143490 Tokyo KYODO in English 1319 GMT 25 Jul 90

[Text] Tokyo, July 25 KYODO—Sanyo Special Steel Co. announced Wednesday it has teamed up with Kanematsu Corp., a major Japanese trading company, to set up a joint venture specializing in the production of cold finished steel bars in Thailand.

Sanyo established the production base in Southeast Asia with a view to cutting labor costs and meeting the region's growing demand, Sanyo officials said. The venture, SKJ Metal Industries Co., will be the first overseas production base for both Sanyo and Kanematsu. The Bangkok-based SKJ will also be financed by Thailand's biggest steel maker, the Pinthong Group, and Kanematsu's overseas subsidiary, Watana Inter-Trade Co., the officials said.

Pinthong and Sanyo will each buy a 33 percent stake in SKJ, capitalized at 54 million baht, with Kanematsu and Watana together holding a 34 percent stake, they said. SKJ plans to construct production facilities in an industrial park approximately 30 kilometers southeast of Bangkok at a cost of 1 billion yen, scheduled to be completed by September of next year.

Cold finished bars are used in the production of consumer electronic goods and small ships. The venture will turn out 300 tons of finished bars monthly, half of which will be sold to Japanese firms in Thailand, the officials said. The other half will be destined for export to other Southeast Asian countries. SKJ is targeting annual sales of 1.5 billion yen.

Doubts About Asia-Pacific Security Group Plan

OW3007135590 Tokyo KYODO in English 1259 GMT 30 Jul 90

[Excerpt] Tokyo, July 30 KYODO—Japan is negative toward a plan for an Asia-Pacific security grouping similar to the Conference on Security and Cooperation in Europe (CSCE), a top Foreign Ministry official said Monday.

Japan doubts if such a grouping could produce fruitful results, the official said on condition of anonymity.

Conflicts in the Asia-Pacific region would be better settled through meetings of the concerned parties rather than at an international security forum, he said, mentioning the Korean peninsula and Cambodia. [passage omitted]

Petroleum Association Accepts OPEC Pricing

OW2807015490 Tokyo KYODO in English 0026 GMT 28 Jul 90

[Text] Tokyo, July 28 KYODO—Japanese oil interests Saturday said they will be able to shoulder the new minimum reference oil price of 21 dollars per barrel set by the just-ended general meeting of the Organization of Petroleum Exporting Countries (OPEC).

The Petroleum Association of Japan said the minimum reference price is tolerable, will serve to hold down vigorous oil demand and stimulate the desire of the United States and other oil interests to boost oil supplies.

Oil interests were commenting on reports that the international oil cartel agreed to set the member nations' production ceiling at 22.491 million barrels per day. The oil cartel also agreed to set the minimum reference price at 21 dollars per barrel.

Akira Idemitsu, managing director of Idemitsu Kosan Co., a major Japanese oil refiner and distributor, said if the OPEC countries stick firmly to their production ceiling over a long period, the crude oil price would gradually rise to the reference price level.

Nippon Oil Co. officials said OPEC's production cutback agreement has so far been violated frequently.

"But unlike past cases, OPEC members are seriously anxious about the recent decline in their oil revenues resulting from a fall in crude oil prices," one Nippon Oil official said. "Thus, the cartel members this time will probably adhere to their production control agreement."

As long as OPEC members hold down their output to their respective ceiling, the price would depend on a decline in oil stocks and weather conditions, such as a cold wave, the official added.

Meanwhile, officials of the Agency of Natural Resources and Energy said that with this agreement, the OPEC member nations, including the United Arab Emirates, would likely adhere to the new production ceiling.

But it will take time for oil market prices to reach the new minimum reference price, they said, due to excessive inventory levels and energy-saving drives.

Company To Build Synthesizing Plant for Saudis

OW0108122490 Tokyo KYODO in English 1148 GMT 1 Aug 90

[Text] Tokyo, Aug. 1 KYODO—JGC Corp., a major Japanese plant engineering company, said Wednesday it has received an order from a Saudi Arabian oil refiner to build a plant for synthesizing a material used to raise the octane level in gasoline.

The order, worth 8 billion yen, is to build a plant to produce methyl-tert-butyl-ether, or MTBE, on the site of an oil refinery in Yanbu.

The plant, ordered by Petromin-Mobil Yanbu Refinery Co., to be completed by the summer of 1992, will produce 1,600 cubic meters a day of MTBE, which is being increasingly used in place of lead amid growing concern about environmental pollution.

LDP Official Urges Private Sector Aid to Peru

OW2807151190 Tokyo KYODO in English 1434 GMT 28 Jul 90

[Text] Karuizawa, Nagano Pref., July 28 KYODO—Ruling Liberal Democratic Party (LDP) policy chief Mutsuki Kato on Saturday urged the private sector to aid newly inaugurated Peruvian President Alberto Fujimori because the Japanese Government has been hesitant about resuming yen loans.

Kato, chairman of the party's Policy Affairs Research Council, told an annual LDP seminar that he felt indebted to Peru because it accepted shiploads of Japanese immigrants 90 years ago.

Expressing frustration at the government's position of withholding fresh funds from countries that fail to meet loan repayments, Kato said the ruling party would seek other routes for assisting Fujimori.

Fujimori—the first person of Japanese descent to be elected leader of another country—inherited on his inauguration Saturday an inflation-ravaged economy and debt burden estimated at 8 billion dollars.

The new government also faces a bloody guerrilla insurgency.

Fujimori enjoyed a brief reprieve from his home country's troubles earlier this month when he became an instant celebrity during a five-day trip to Japan to seek moral and financial support.

He won a promise of increased official development assistance (ODA) but told reporters he received a lukewarm response from the government to his request for a Japanese contribution to new loans.

Ministers Urge Japan To Lift Rice Import Ban

OW3107182390 Tokyo KYODO in English 1533 GMT 31 Jul 90

[Text] Newmarket-on-Fergus, Ireland, July 31 (KYODO)—Japan is expected to face increased pressure to open up its rice market as major industrialized nations move to reach agreement on farm subsidies in order to bring the Uruguay Round of Trade Talks to a successful conclusion, according to Japanese Government sources.

Farm ministers from the United States, the European Community (EC), Canada, Australia, and Japan finished their meeting here Tuesday, pledging greater efforts to break the impasse over agriculture, the largest remaining stumbling block in the multilateral trade liberalization talks.

The four-year round, being held under the General Agreement of Tariffs and Trade (GATT), is to end by the end of the year.

Japan was dealt a severe blow in the second day of the three-day talks, when U.S. Secretary of Agriculture Clayton Yeutter demanded that Japan free up its heavily protected rice market by introducing import tariffs.

Speaking at a press conference after the close of the meeting, the U.S. representative said there should not be any exception in the proposed subsidy elimination, implicitly referring to rice.

He also attacked Japan's "food security" argument, saying that maintaining an import ban on specific products does not necessarily guarantee a stable supply of food.

Japan has asserted that lifting its rice import ban would greatly threaten the food security of the country, which is already the biggest food importer in the world.

In response to Yeutter's comments, Tomio Yamamoto, minister of agriculture, forestry and fisheries, said the Japanese people are alarmed by the prospect of having to import rice, the nation's staple food.

He stressed that Japan is the lowest among the five nations represented at the meeting in terms of its self-sufficiency in food.

The talks, which opened on Sunday, also failed to bridge the deep gulf between the U.S. and the EC over how to cut farm subsidies.

The difference was evident at the conference, when EC Trade Commissioner Ray Macsharry reacted coolly to a request made by Yeutter for other countries to make a full commitment to solving the farm issue.

Macsharry stressed that there is a limit to agricultural liberalization, saying that what is aimed for is one thing but what is possible is another.

The U.S. proposal for the elimination of export subsidies and deep cuts in price supports and trade barriers has placed it at loggerheads with the EC countries, which agree to cuts in subsidies but are against dismantling its common agricultural policy.

The U.S. is also considered radical when compared with Canada, another country representing the interests of agricultural exporters.

While Canada supports the import quota system for specific products, the U.S. has stuck to its position against all trade-distorting barriers.

The ministers agreed to continue discussions on agriculture at the GATT meeting in August, but failed to decide when to hold their next meeting due U.S. reluctance to proposed talks in October.

Agriculture Minister: No Rice Imports Compromise

OW0108131090 Tokyo KYODO in English 1254 GMT 1 Aug 90

[Text] Tokyo, Aug. 1 KYODO—Japanese Minister of Agriculture, Forestry and Fisheries Tomio Yamamoto said on returning from a five-nation meeting in Ireland on Wednesday that Japan will not compromise on liberalization of the rice market.

Yamamoto said that the agricultural situations in all the participating nations are different and that it is not easy to reach an accord on farm issues. Yamamoto attended an agriculture ministers' meeting held Sunday through Tuesday as part of the Uruguay Round of multilateral trade talks under the General Agreement on Tariffs and Trade (GATT).

The minister said Japan's concern over "food security" was understood by other countries and that Japan's stand on the issue would remain unchanged. Japan will submit a proposal to GATT on reduction of government protection for agriculture by October 15 as agreed on at a high-level meeting in Geneva last week, he said, adding that the contents of the proposal had not yet been decided.

Steel Exports in First Half Hit 21-Year Low

OW2707181490 Tokyo KYODO in English 0902 GMT 27 Jul 90

[Text] Tokyo, July 27 KYODO—Japan's steel exports in the first half of this year were the lowest in 21 years, due largely to dwindling shipments to China and the Soviet Union, an industry federation said Friday.

The Japan Iron and Steel Federation said in a report that the nation's steel shipments plunged 22.5 percent from a year earlier to 8.09 million tons, the smallest since 7.29 million tons posted in the corresponding period in 1969. The poor showing is largely due to lower demand in China and the Soviet Union owing to their lack of foreign currency reserves, as well as strong domestic demand in Japan, it said.

Exports to China plunged 62.3 percent to 771,000 tons, while those to the Soviet Union dropped 57.8 percent to 225,000 tons. Shipments to the United States fell by 6.1 percent to 1.58 million tons, to South Korea by 31 percent to 670,000 tons, and to Taiwan by 32.8 percent to 749,000 tons.

Industry sources said that with purchases by China and the Soviet Union unlikely to rebound in the foreseeable future, steel exports for the whole of 1990 will probably be around 16-17 million tons, the first drop below 20 million tons in 20 years. The federation also said Japan imported 3.09 million tons of ordinary steel during the six months, an 8.2 percent fall from the year-earlier level. Meanwhile, Japan's steel exports in June totaled 1.37 million tons, down 21.9 percent from 1.75 million tons in June 1989 but 1.8 percent higher than the 1.34 million tons in May, the federation said. The country's imports of ordinary steel amounted to 374,000 tons, down 38.7 percent from May and a 29.3 percent plunge from the year before, it said.

Bank Governor Sees Continued Price Stability

OW2607074790 Tokyo KYODO in English 0655 GMT 26 Jul 90

[Text] Tokyo, July 26 KYODO—Bank of Japan Governor Yasushi Mieno said on Thursday he did not see any collapse of price stability for the time being. Mieno, addressing a group of top business people, stressed, however, the need to keep a close eye on price movements, citing rising labor costs due to a shortage of the work force and the high-pitched growth pace of the money supply.

"Current labor shortfalls are not temporary. The growth rate of labor supply will decline in the 1990s and the economy must tackle a problem of serious labor shortage," the head of the central bank said. Touching on exchange rates, Mieno said the current yen-U.S. dollar exchange rate does not reflect the economic fundamentals of both countries.

Market bearishness on the yen against the dollar stems mainly from rumors that the Japanese economy will begin to decline in the near future, combined with political factors, domestic and overseas, Mieno said.

His remarks were made as the U.S. dollar was trading at 149.98 yen in Tokyo, up 0.85 yen from the previous day's finish. The dollar closed at 150.11 yen, up 0.98 yen. Mieno went on to say he does not think the planned 430 trillion yen in public spending in the next decade, pledged at bilateral Structural Impediments Initiative (SII) talks between Japan and the United States, is likely to result in inflation but the government should take appropriate steps to avoid a possible rekindling of inflation.

Growth Limit of 4.4 Percent on Budget Adopted

OW2707181090 Tokyo KYODO in English 0742 GMT 27 Jul 90

[Text] Tokyo, July 27 KYODO—The government formally adopted a fiscal 1991 budget outline Friday limiting year-on-year growth in general expenditures to 1.57 trillion yen, a 4.4 percent increase from fiscal 1990.

Government officials said the growth target for the year beginning April 1, 1991, is the biggest since 1982 when Japan decided to seek "zero growth" in its national budget. The 1991 increase which sets the total general expenditures at 3.694 trillion yen, stems mainly from a compartively big 5.5 percent increase in investment-related expenditures, the officials said. The increased

investment spending is designed to raise public works spending, which totals 430 trillion yen in the net decade, in line with a pledge made by Japan in the Structural Impediments Initiative (SII) talks with the United States.

Investment expenditure is to be increased by 400 billion yen as a result of special allocations of 200 billion yen to improve living standards and another 200 billion yen for boosting subsidies for public investment by local governments. Also included in the new spending plans are an increase of 2 percentage points in wages for civil servants and pensions, boosting the budget by 250 billion yen, and a 9.7 percent rise in official development assistance (ODA) spending to 79 billion yen from 71 billion yen.

The limit for an increase in defense spending was set at 5.84 percent, down from a 6.35 percent increase this year. The new defense spending growth target is the lowest since fiscal 1961. Each ministry and agency will submit individual budgetary requests based on the overall limits to the Finance Ministry by the end of August and that ministry will compile a draft budget for fiscal 1991 in December.

Businessman Urges Sanctioning of Holding Firms

OW2707184290 Tokyo KYODO in English 1407 GMT 27 Jul 90

[Text] Karuizawa, Nagano Pref., July 27 KYODO—A senior member of the Japan Association of Corporate Executives (Doyukai) called on the government Friday to permit the establishment of holding companies, saying they are "vital to the globalization of industry."

Yoshihiko Miyauchi, who is president of Orix Corp., a major leasing firm, made the appeal on the final day of the association's summer seminar entitled "The Grand Design for the 21st Century" at the resort of Karuizawa, Nagano Prefecture.

Even if the Japanese Government bows to U.S. demands for stiffer enforcement of the antimonopoly law, it should sanction holding companies, he said.

Regarding the enforcement of demands tabled by the U.S. during the 10-month-long bilateral Structural Impediments Initiative (SII) talks, Doyukai chief and Nissan Motor Co. Chairman Takashi Ishihara said, "The interest of the consumer is the most important consideration."

Masaru Hayami, Doyukai vice chairman and chairman of Nissho Iwai Corp., a major trading house, urged the government to lift its ban on rice imports in order to help bring the Uruguay Round of multilateral trade talks to a successful conclusion by the December deadline.

The success of the talks is essential to prevent the emergence of economic regionalism among Japan, the U.S., and Europe, which could result if the talks fail, he said.

"Japan's policy of not letting in one grain of foreign-made rice is unreasonable," he said.

Regarding environmental protection, Toshiaki Yamaguchi, chairman of a standing committee on the environment and president of Tosoh Corp., a major integrated chemical maker, said Doyukai would like to continue studying the issue.

Economic Growth Expected To Exceed Projections

OW2907064890 Tokyo KYODO in English 0635 GMT 29 Jul 90

[Text] Karuizawa, Nagano Pref. July 29 KYODO—Japan's inflation-adjusted economic growth rate will exceed the government projection of 4.0 percent in fiscal 1990, a top economic policy planner said sunday.

Hideyuki Aizawa, director general of the Economic Planning Agency (EPA), made the prediction as he addressed a seminar at this summer resort sponsored by the ruling Liberal Democratic Party.

The Japanese economy grew 5.0 percent in fiscal 1989, ended March 31, compared with the government target of 4.6 percent for the year.

Aizawa struck an optimistic note on economic prospects, expressing belief that the current economic expansion, now in its 44th month, will continue for more than a year and outlast the record uninterrupted postwar growth of 57 months in 1965-70.

He cited rising crude oil prices and an acute labor shortage as major factors that could disrupt the scenario.

Referring to currency rate prospects, Aizawa said he expects the Japanese yen to appreciate in the long term given the nation's economic might.

Overseas Demand for Exports Increases

OW3007110590 Tokyo KYODO in English 1026 GMT 30 Jul 90

[Text] Tokyo, July 30 KYODO—Export contracts signed by 18 major Japanese trading firms in the first half of the year recorded the highest year-on-year growth in 10 years for any six-month period due to strong demand overseas for plants and ships, according to a report issued Monday by a trade industry council.

The Japan Foreign Trade Council reported that export contracts in the January-June period jumped 18.8 percent from the same period last year to 8,161.8 billion yen.

The marked increase in plant exports, in particular for the chemical industry, stemmed from surging demand in Southeast Asian nations and Middle East countries against the backdrop of recovering economies in these regions, officials at the council said.

Contracts for ship exports surged 36.9 percent during the six-month period. Automobile exports contracts rose rising 15.3 percent, the council said.

Import contracts concluded during the period also increased 12.8 percent to 9,141 billion yen because of higher prices of crude oil. Imports of machineries and chemical products remained sluggish, the officials said.

The 18 trading houses account for nearly half of the country exports and about 30 percent of imports.

By region, Japanese export contracts with Middle East nations posted a growth nearly three times higher than last year, with those with Southeast Asian countries rising 32.5 percent.

Export contracts concluded with China plunged 37.8 percent in the six months, a greater decrease than the 31.6 percent in the second half of last year, due to inactive trading with the country after the military suppression of the pro-democracy movement in Beijing's Tiananmen Square in June last year, the officials said.

On the import side, contracts for fuel soared 50.9 percent mainly because of a jump in crude oil prices, which showed a 37.4 percent increase on a customs clearance basis, as well as growing demand for liquefied natural gas (LNG).

Import contracts in the categories of food and lumber also held firm in the six months. But machinery-related import contracts fell 7.1 percent in reaction to large contracts concluded the same period of last year.

Import contracts for nonferrous metals such as gold and silver declined 13.2 percent, reflecting a plunge in market prices overseas, the officials said.

The council also reported export contracts signed by the major trading houses edged down by 0.4 percent in June from the same month a year earlier to 1,079.1 billion yen due to drops in overseas demand for machinery.

The year-on-year drop in export contracts in June was the first in five months.

Import contracts were also down 4.1 percent from a year earlier to 1,517.3 billion yen, the council said.

Kawasaki To Raise Shipbuilding Sales Share

OW2507114690 Tokyo KYODO in English 1012 GMT 25 Jul 90

[Text] Osaka, July 25 KYODO—Hiroshi Ohba, president of Kawasaki Heavy Industries Ltd., said Wednesday the company will raise the shipbuilding share to 10 percent of its total sales from the present 5.0 percent.

Ohba said the company will resume construction of merchant ships at its Kobe Dockyard toward the end of this year. The company will start preparations for construction of liquified petroleum gas carriers from next year, he said.

Shipbuilding accounted for 30 percent of the company's total sales in the peak 1972 fiscal year. The ratio fell to 6.8 percent in fiscal 1988 and to 5.0 percent in fiscal 1989. Japanese shipbuilders have implemented the restructuring and personnel reductions to cope with the protracted slump in the shipbuilding business.

Reflecting a recovery of the market, Japaneses dockyards received orders for new ships aggregating 9.7 million gross tons in 1989, nearly double that of the preceding year or the highest level since 1983. Ohba said the company's shipbuilding division employs 1,900 workers. He will try to boost the division's sales ratio to a level proportionate to the total work force of 17,000. The company has received orders for two multi-purpose chemical tankers worth 16 billion yen from Kvanar Co. of Norway. Yoshiro Manabe, managing director of Kawasaki, said the company plans to resume construction of liners, suspended since October 1986.

False Alarm Shuts Down Nuclear Ship's Reactor

OW2807140390 Tokyo KYODO in English 1329 GMT 28 Jul 90

[Text] Aomori, July 28 KYODO—The crew of Japan's only nuclear-powered ship, the Mutsu, made an emergency manual shutdown of its nuclear reactor in the Pacific on Saturday after a warning signal, but then found that the warning instrument was faulty, officials of the Japan Atomic Energy Research Institute said.

On Wednesday the reactor automatically shut down when an instrument indicated a rapid rise in the temperature of the primary cooling water circuit. There was reportedly no leakage of radiation.

The officials said the nuclear reactor was ordered shut down at around 4 p.m. [0700 GMT] Saturday when an instrument gauging movements of control rods indicated a problem. But later they found there was a fault in the electrical circuit of the instrument.

The trouble-plagued 8,242-ton Mutsu has been undergoing nuclear-powered sailing tests at sea for the first time since it was built 20 years ago.

The Mutsu was dry-docked in 1974 after its reactor leaked gamma rays.

The institute, a branch of the Science and Technology Agency, has spent more than 100 billion yen on research and development regarding the ship, including 12.5 billion yen overhauling it after the reactor accident.

Mongolia

Coverage of Baker's Visit, Ties With U.S.

Political Observer on Visit

OW0108144590 Ulaanbaatar International Service in English 0910 GMT 31 Jul 90

[Political observer Dashdzebeg talk from the "Society Magazine"]

[Text] Diplomatic relations between Mongolia and the United States of America were established three years ago in 1987. Since bilateral relationship went on expanding, here in Mongolia we witnessed growing interest in that country which only a few years ago was considered as an incarnation of evil. But the things have changed, and the present Mongolian leadership is bent on developing relations with all countries in the world [words indistinct] ideological matters. Between August the 2d to the 5th U.S. Secretary of State James Baker is expected in Mongolia. Next in our "Society Magazine" we have a talk by political observer Dashdzebeg on Mongolian-American relations. Last year he took part in the meeting of the Mongolian Foreign Minister Gombosuren and U.S. State Secretary James Baker in New York.

[Begin recording in Mongolian, fading into English translation] Diplomatic relations between Mongolia and the United States of America were established in 1987. Since [then] they went on expanding. The issue of establishing diplomatic relations between the two countries has been discussed for many years. I think that they meet not only the interests of the two nations, but also those of the new thinking in the world. Last year heads of foreign departments of both countries met in New York during the session of the UN General Assembly. I was present at this meeting.

Mongolia and the United States of America are situated in different parts of the world and have got different traditions and ways of thinking. But, nevertheless, their relations have had a good point of departure. In New York, Mr. Gombosuren and Mr. Baker discussed the prospects of bilateral relations and the way they have been developing since the establishment of diplomatic relations. I was impressed by Mr. Baker's broad knowledge about Mongolia. He was well prepared to the talks. After the talks the two sides signed the agreement on the cooperation in the spheres of culture and education, the first-ever bilateral agreement.

With no doubt the visit of Mr. Baker will give an impetus to bilateral relationship. It will have laid the basis for developing them furthermore. Its economic importance will be of great value. If Mongolia was given the status of most favored nation, this will have a very favorable impact on Mongolia's economy. I suppose that if during his stay here, I put a question to Mr. Baker on how Mongolia's progress can be achieved, Mr. Baker, I suppose, would probably say that we should favor private property and learn to value the money.

Last year in New York, Mr. Baker told us that he didn't think for the time being of an official visit to Mongolia, but he would like to have a stop in Mongolia because he takes interests in hunting and worships virgin nature. After one year Mr. Baker is coming to Mongolia on an official visit, and this is an evidence of change in our relations.

If I were to forecast our relations, I would forecast growing contacts. It would be very beneficial both for Mongolia's economy and her international positions. [end recording]

Baker Arrives

OW0208051590 Tokyo KYODO in English 0459 GMT 2 Aug 90

[Text] Ulaanbaatar, Aug. 2 KYODO—U.S. Secretary of State James Baker arrived in Ulaanbaatar on Thursday on the last stop of a four-nation tour.

Baker, who flew from the Soviet Siberian city of Irkutsk, is the first high-ranking U.S. official to visit Mongolia since the two countries established diplomatic relations in January 1987.

Before arriving in Mongolia, Baker attended a conference of the Association of Southeast Asian Nations (ASEAN) in Jakarta, the second Asia-Pacific Economic Cooperation (APEC) ministerial conference in Singapore, and held talks with Soviet Foreign Minister Eduard Shevardnadze in Irkutsk.

Baker is to meet with Mongolian President Punsalmaagiyn Ochirbat, Mongolian People's Revolutionary Party (MPRP) chief Gombojabyn Ochirbat and other leaders to discuss ways to promote bilateral economic and political relations.

In a meeting with Foreign Minister Tserenpiliyn Gombosuren, Baker is scheduled to sign agreements, including one which will extend most-favored-nation (MFN) trade status to Mongolia.

On Friday, Baker will also meet leaders of opposition parties, which took part in the country's first free elections on Sunday, and will hold a joint press conference with Gombosuren. After winding up his official schedule on Friday, Baker will stay in Mongolia until Sunday to enjoy a holiday.

The Mongolian Government hopes that Baker's visit will pave the way for economic assistance from international financial institutions and Western countries, Mongolian officials said.

Mongolia's accumulated debts to the Soviet Union reached the equivalent of some 5.7 billion U.S. dollars at the end of last year and per capita foreign debt is estimated at 2,850 dollars.

The communists have ruled Mongolia since 1921, making it the world's second-oldest communist state after the Soviet Union. The Communist Party, however, relinquished its monopoly of power in March, a move which paved the way for Sunday's multiparty elections.

MPRP leader Ochirbat declared Tuesday that the party won a majority in the elections in both legislative bodies, the People's Great Hural and the new body, the Small Hural.

MDP Welcomes Government Coalition Offer

LD0108115490 East Berlin ADN International Service in German 1111 GMT 1 Aug 90

[Excerpt] Ulaanbaatar (ADN)—The opposition Mongolian Democratic Party [MDP] welcomes the offer of a coalition government with the new parties, announced by the MPRP [Mongolian People's Revolutionary Party] leader Gombojabyn Ochirbat. The MDP chairman, Erdeniyn Batuul, told journalists today that this offer must be discussed in the party leadership and then with the other opposition parties in order to create a common platform. First, however, it is important to fight for the parliamentary seats in the 29 electoral districts where there are to be repeat elections. [passage omitted]

Unemployed Mongolians Send Message to Government

OW3107073290 Ulaanbaatar International Service in English 1200 GMT 26 Jul 90

[Text] The Mongolian Association of the Unemployed has addressed an official letter to the Council of Ministers, the State Committee for Social and Economic Development, the Ministry of Finance, and the State Bank. In this letter the Mongolian Association for the Unemployed suggests to take concrete measures which would contribute to lessening the problem of unemployment in Mongolia. There are mentioned in particular such measures as granting credits to the association in order to establish small- and medium-sized enterprises, granting special allowances to the unemployed.

The Mongolian Association of the Unemployed was initially formed at the Mongolian Democratic Association and from May 1990 began to work independently as a public organization. About 10,000 unemployed members are registered. According to some data, there are 94,000 jobless people in Mongolia.

North Korea

North Decries 'Naval Invasion' by ROK Vessels

SK0208012490 Pyongyang Domestic Service in Korean 0008 GMT 2 Aug 90

[Text] The South Korean puppets perpetrated a grave military provocation by infiltrating combat vessels one after the other deep into our country's West Sea territorial waters.

Yesterday, the South Korean puppets perpetrated a grave military provocation by infiltrating a group of combat vessels deep into our country's West Sea territorial waters. At around 1810 yesterday, to commit a hostile act toward our side, the South Korean puppets perpetrated a military provocation of illegally infiltrating two combat vessels, which were stationed at Taechong-to, deep into the West Sea territorial waters off Changsan-kot.

At around 1957 on 28 July, the South Korean puppets infiltrated one combat vessel stationed at Taechong-to deep into the West Sea territorial waters off our side's Ungjin peninsula. From around 2220 to 2255 on the same day, the South Korean puppets committed an act of aggression by again openly infiltrating, in battle formation, three combat vessels moving toward the northwestern side of our side's Changsan-kot.

The naval patrol ships of the Korean People's Army [KPA], which were performing routine maritime patrol duty to firmly defend our socialist fatherland, sailed to the spot immediately every time the enemy's combat vessels infiltrated into our side's territorial waters.

When their aggressive attempt was frustrated by the arrival of the KPA naval patrol ships, the rascals fled southward.

These kinds of criminal acts of naval invasion against our Republic, which are committed time and again by the South Korean puppets, run counter to the North-South dialogue, bringing about only confrontation and division. This is an intentional and premeditated provocative maneuver to further intensify the tense situation on the Korean peninsula.

Our people and the soldiers of the KPA are carefully watching the acts of military provocation by the U.S. imperialists and the South Korean puppets who are running amuck to realize the invasion of the North by force.

The U.S. imperialists and the South Korean puppets must look straight at the grave situation which prevails on the Korean peninsula due to their repeated military provocation maneuvers, and act with discretion.

Letter of Protest to U.S.

SK0208045690 Pyongyang Domestic Service in Korean 0400 GMT 2 Aug 90

[Letter of protest from Choe Ui-ung, DPRK side's senior member to the Military Armistice Commission, to the U.S. side's senior member to the MAC on 1 August—read by announcer]

[Text] Yesterday Major General Choe Ui-ung, our side's senior member to the MAC [Military Armistice Commission], sent a letter of protest to the U.S. side's senior member, regarding the South Korean puppets' provocation of infiltrating combat vessels deep into our country's West Sea territorial waters. The letter reads:

At around 1810 on 1 August, the South Korean puppet Army infiltrated two combat vessels deep into the West Sea territorial waters off Changsan-kot.

Our side cannot remain indifferent toward the South Korean puppet Army, which after 28 July once again infiltrated combat vessels into our territorial waters, which violently violates paragraph 15 of the Armistice Agreement.

This kind of act deliberately strains the situation, which only those who pursue impure political purposes need.

Our side strongly urges that if the enemy side is not intending to obstruct efforts to ease tensions and carry out North-South dialogue, it must punish the criminals at once and take responsible measures so that this kind of naval invasion will not occur again.

Military Provocations Seen

SK0208053590 Pyongyang KCNA in English 0502 GMT 2 Aug 90

[Text] Pyongyang August 2 (KCNA)—The South Korean puppets infiltrated battleships deep into the western territorial waters of our country on August 1.

At round 18:10 they illegally infiltrated two battleships based on Taechong Island deep into the territorial waters west of Changsangot on the West Sea of our country for hostile acts against our side.

Earlier, they let a Taechong Island-based battleship intrude deep into the territorial waters west of the Ongjin peninsula of our side at around 19:57 on July 28 and three other battleships into the territorial waters northwest of Changsangot in a combat formation from around 22:20 to 22:55 on the same day.

When a patrol craft of the Navy of the Korean People's Army sailed out, they fled southward with their aggressive purpose unfulfilled.

Their repeated criminal intrusion into our territorial waters are deliberate and premeditated provocation moves to further heighten the tension on the Korean peninsula, seeking only confrontation and division against North-South Dialogue.

Our people and people's Army soldiers are closely following the military provocation manoeuvres of the U.S. imperialists and the South Korean puppets to gratify their aggressive design against the North with strength.

More on Confrontation Over Pan-National Rally

Chonminnyon Participation Urged

SK0208050390 Pyongyang KCNA in English 0439 GMT 2 Aug 90

[Text] Pyongyang August 2 (KCNA)—The "National Council of [University] Student Representatives" (Chondaehyop) of South Korea reportedly called a press conference at Yonsei University in Seoul on August 1 and urged the South Korean authorities to provide conditions for the Pan-National Rally and, especially, to allow the delegates of the "coalition for national democratic movement" [National Democratic Alliance of Korea] (Chonminnyon) to visit Pyongyang so as to participate in the soon-to-be-held third preliminary contact for the preparation of the rally.

Chondaehyop accused the authorities of barring the North side's delegation from participating in the second preliminary contact in Seoul.

Commenting on the demand of 58 rightist organizations to be let to participate in the rally, it declared that their participation in the rally is unthinkable because they are "government"-controlled organizations which have facilitated rather division than reunification, rather confrontation than reconciliation.

If they truly want to participate in the rally, they must, above all, join in the struggle for the abolition of the "National Security Law" and the release of the champions of reunification, it noted.

Chondaehyop announced that it would start "a grand national pilgrimage for reunification" from August 7 on the threshold of the Pan-National Rally and struggle to make the rally a success.

Song Kap-sok, chairman of Chondaehyop who is on the want list of the puppet clique, was reportedly present at the press conference.

Rally Preparations Completed

SK0208111990 Pyongyang KCNA in English 1107 GMT 2 Aug 90

[Text] Pyongyang August 2 (KCNA)—The North side's preparatory committee for the Pan-National Rally for peace and reunification of the country has formed subcommittees of selection of delegates, reception and guidance, document drafting, arrangement of functions, seminars, etc. And completed in the main all the preparations to successfully hold the August 15 Pan-National Rally in Panmunjom and various functions to be held on the occasion. It is now finalizing the preparations.

A spokesman for the committee said this when he met with a KCNA reporter today with regard to the preparations to hold the Pan-National Rally in a grand manner as a great jubilee of the nation on August 15 this year marking the 45th anniversary of national liberation.

The North side's preparatory committee has completed preparations on the whole to provide all conveniences to the delegates of the coalition for national democratic movement [National Democratic Alliance of South Korea] (Chonminnyon) of South Korea and the overseas side in lodgings, means of transport traffic, medical assistance, communications, etc. during the rally, he said, and continued:

It is now going ahead with meticulous preparations to host the third preliminary contact for the Pan-National Rally on August 6 and to cordially greet the delegates of the South and overseas sides' promotion headquarters who will attend this contact.

Various kinds of functions such as lecture, explanation meeting and dissemination of songs on the theme of reunification are now being held in different ways throughout the country to incite the atmosphere of national reunification on the threshold of the rally, he said.

The August 15 Pan-National Rally will undoubtedly be a great jubilee of the nation for promoting national reconciliation and unity, peace and reunification of the country, he concluded.

North MAC Guarantees Safety

SK0208125090 Pyongyang Domestic Service in Korean 1200 GMT 2 Aug 90

[News statement by a spokesman for the North side to the Military Armistice Commission [MAC] issued 2 August—read by announcer]

[Text] As has already been reported, the North side's preparatory committee for the Pan-National Rally has cordially invited the delegates of the National Democratic Alliance of South Korea [Chonminnyon] to the third preliminary contact to be held in Pyongyang from 6 August.

Our side to the MAC will guarantee to the maximum extent the safety of the Chonminnyon delegates when they enter the North's area through Panmunjom to participate in the third preliminary contact.

Also, he hope that the UN forces side of the MAC, too, will take steps to ensure the transit of Chonminnyon delegates through Panmunjom and their safety.

[Dated] 2 August 1990

Editorial Marks Korean Cease-Fire Anniversary

SK0208035990 Pyongyang Domestic Service in Korean 0011 GMT 27 Jul 90

[NODONG SINMUN 27 July editorial: "Let Us Smash the War and Divisionist Maneuvers and Achieve the Peace of the Country and Its Peaceful Reunification"]

[Text] Thirty seven years have passed since our people won the historic victory in the fatherland liberation war.

The three-year war, which the U.S. imperialists started, was a severe test for our people in determining their destiny.

To strangle our young Republic in its cradle and place our people under the yoke of colonial slavery again, the U.S. imperialists started the war of aggression and committed an act of matchless destruction and slaughter.

Our people, however, fought at the expense of their lives under the wise leadership of the great leader Comrade Kim Il-song—ever-victorious iron-willed commander—and defeated the U.S. imperialist aggressors who boasted of their numerical and technological superiority, thus defending the gains of the revolution and contributing to defending the peace of Asia and the world by thwarting the U.S. imperialists' wicked plan to start another world war with the Korean war as a starting point.

Our people thus bashed the stuck-up nose of the U.S. imperialists, who boasted of being most powerful in the world, shattered the myth of their almightiness, started the beginning of the U.S. imperialists' decline, and opened the new era of the national liberation struggle and the anti-imperialist and anti-U.S. struggle.

The victory our people won in the fatherland liberation war proved the truth that the people and their Armed Forces fighting as one under the wise leadership of a great leader and under the firm unity around a revolutionary party are ever-victorious and invincible.

The victory our people won was a shining triumph of the respected and beloved leader Comrade Kim Il-song's great military ideology and outstanding military art, and was a powerful manifestation of the invincible vitality and true superiority of the social system of our country, where the masses of the people are the masters of the state and society.

Our people's just struggle won strong international support and encouragement. The fraternal Chinese people sent volunteers and helped our people with blood, the people of the Soviet Union and other socialist countries sent support and encouragement both spiritually and materially, and the people of broad strata of the world vigorously waged the movement of solidarity with our people. Our people remember this.

Nearly 40 years have passed since the cessation of gunfire on the Korean peninsula. Nonetheless, our nation still is suffering the tragedy of division and has never been relieved from the danger of a war. This is not because of the lack of our people's endeavor for peace of the country and its reunification.

The great leader Comrade Kim Il-song has taught: The Workers Party of Korea [WPK] and the DPRK Government, with the sense of noble mission for the destiny of our nation and for the cause of global peace, have put forth rational proposals for easing tension on the Korean peninsula and for settling the issue of Korea's reunification, and have made all sincere efforts for their implementation.

Easing tension on the Korean peninsula and achieving peace and peaceful reunification are an invariable stand and policy of our party and the government of the Republic. Since the cease-fire, we have put forth numerous proposals for peace and reunification and have made positive efforts for their implementation.

This year alone, we have put forth the proposal for removing the concrete wall of division built in the South side's area and for realizing free travel and complete opening between the North and South, the five-point policy for the reunification of the fatherland, and the new disarmament proposal for peace on the Korean peninsula.

Our peace proposals and our reunification initiatives have aroused extensive support and sympathy at home and abroad, because they are just and correct.

Today, the South Korean people, too, keeping step with our earnest effort for peace in the country and for peaceful reunification, have put forth the anti-U.S. slogan for independence and reunification to the fore and are turning out in the pan-national struggle for the reunification of the fatherland.

Even amid the relentless fascist suppression, the reunification movement waged by the youths, students, and people of all walks of life is becoming stronger with each passing day, and the moves to demolish the barrier between the North and South and realize free contacts and travel are becoming even more active than ever.

Evincing the South Korean people's unanimous aspiration for reunification, Rev. [Reverend] Mun Ik-hwan, adviser to the National Democratic Alliance of Korea [Chonminnyon], and student Yim Su-kyong, representative of the National Council of University Student Representatives [Chondaehyop], risked their lives to come to Pyongyang and had emotional meetings with their compatriots in the North, thus further promoting the people's aspiration for reunification.

Despite such a persistent struggle waged by all people, however, durable peace has not been achieved on the Korean peninsula, and the division continues. This is entirely due to the war and division maneuvers the U.S. imperialists and South Korean puppets seek.

Under the pretext of a bogus threat of southward invasion, the U.S. imperialists and South Korean puppets have spurred the preparations for another war by northward invasion by systematically reinforcing the U.S. and South Korean Armed Forces and constantly staging provocative military exercises.

At the same time, the U.S. imperialists, to continue holding on to South Korea as their colony and military base and as an anticommunist stronghold, have intensified the military occupation policy and fascist colonial rule and have tenaciously persisted in the criminal two-Koreas plot to perpetuate the division of our nation.

Despite the strong protest and denunciation from our people and the people of the world, the maneuvers of war and division the U.S. imperialists and South Korean puppets seek are reaching an even graver stage.

This year alone, they staged the "Team Spirit-90" joint military exercise, a test nuclear war, and a preliminary war designed to carry out a preemptive attack against us, for several months and are recently going on a rampage in even staging air and ground assault exercises every day to invade the North.

They meanwhile are babbling about South Korea's unilateral UN entry and persisting in the crafty scheme to internationally legitimize the division of our country.

In many areas of the world today, confrontation and conflicts are being brought to an end and the spirit of detente is growing. Only on the Korean peninsula, nonetheless, tension is becoming more acute and the danger of war is growing. At the same time, while the countries which have been divided for a long period are being reunified, our nation still suffers the bitter agony of division.

This abnormal situation must not continue any longer and, on the Korean peninsula as well, durable peace must be achieved as soon as possible, and the severed linkage of the nation rejoined as one.

To ease tension on the Korean peninsula and to create a peaceful climate for the reunification of the fatherland, a declaration of nonaggression must be adopted between the North and South, a peace agreement concluded between us and the United States, and the U.S. troops and nuclear weapons withdrawn from South Korea, as we have repeatedly proposed.

Under the circumstances in which huge armed forces are acutely confronting one another with the military demarcation line in the middle and 40,000-strong U.S. troops equipped with modern lethal weapons and some 1,000 nuclear weapons continue to remain in South Korea, distrust, confrontation, and the danger of war can never be removed.

At the same time, without the withdrawal of foreign forces, trust can never be built between the North and South, dialogue for reunification can never be successful, cooperation and exchanges can never be possible, and the peaceful reunification of the country can never be achieved.

Realizing disarmament on the Korean peninsula and withdrawing U.S. troops and nuclear weapons from South Korea are a solemn demand of the era which must not be ignored any longer.

The South Korean authorities, if their utterance about peace and reunification is true, must stop being afraid of disarmament and evading it—their chronic habit in history—and must affirmatively respond to our new disarmament proposal as soon as possible.

The United States as well, if it truly desires peace and stability on the Korean peninsula, must not continue to utter about them only in words but show its sincerity in deeds.

It must stop instigating the South Korean puppets to confrontation and division, which it continues against our people's demand and the trend of the times. At the

same time, instead of making a mockery of public opinion at home and abroad with a deceptive disarmament game, it must take a practical step to withdraw the U.S. troops and nuclear weapons from South Korea.

To this end, it must come forth toward tripartite talks or DPRK- U.S. talks, for which we have repeatedly called.

Today, in the North, South, and abroad, the aspiration and desire of the compatriots for reunification are further growing with each passing day and the reunification movement is rapidly developing into a force which nothing can destroy.

Smashing the maneuvers of the divisionists within and without and opening a decisive breakthrough for the reunification within a few years are the firm will of our compatriots.

The South Korean puppets, instead of raving about opening and travel only in words with the deceptive national exchange proposal, must positively respond to our proposals and move toward removing the concrete wall, abrogating the National Security Law, and realizing free travel and complete opening between the North and South. At the same time, They must not attempt to block the Pan-National Rally on 15 August by babbling about the participation from all circles and so on.

The South Korean people of all walks of life, by holding the banner of independence, democracy, and reunification even higher, must struggle even more resolutely to end the U.S. imperialists' military occupation and colonial rule and the puppets' fascist dictatorship and to frustrate and smash their maneuvers of division and war.

At the same time, they must not allow the puppets' deceptive trick of opening and travel but continue to struggle to demolish the concrete wall, abrogate the National Security Law, and to realize free travel and compiete opening between the North and South.

All compatriots in the North and South and abroad, by uniting and struggling under the banner of the fatherland's reunification, must make this year a year for a historic turn in removing the wall of division and opening the door to reunification.

At the same time, we must vigorously struggle according to the intrinsic demand of the Pan-National Rally and according to the three principles of the fatherland's reunification to smash the divisionists' scheme designed to create two Koreas, abrogate the National Security Law, and release those who have been arrested and detained on charges of visiting the North. By so doing, we must guarantee the Pan-National Rally's success.

This year, too, during the month of the anti-U.S. joint struggle, the people of broad strata of the world have strongly opposed the U.S. imperialists' and South Korean puppets's new war provocation maneuvers and their schemes designed to create two Koreas and have sent warm support and encouragement toward our people's struggle for peace in the country and peaceful reunification.

We firmly believe that, in the future, too, the world people will continue to actively support and encourage our people's cause.

All party members and working people, by upholding the programmatic tasks which the great leader Comrade Kim Il-song has put forth in his New Year's address and in his historic policy speech and the decision of the 17th plenary meeting of the sixth party Central Committee, must effect new upsurges in the revolution and construction.

By uniting around the great leader Comrade Kim Il-song and the party with a single mind, let us all thoroughly smash the war maneuvers of the U.S. imperialists and South Korean puppets and their scheme designed to create two Koreas and struggle more resolutely to make the 1990's shine as the decade of reunification in the history of our nation.

Chinese Army's 63rd Anniversary Remembered

Military University Meeting

SK3107152090 Pyongyang KCNA in English 1510 GMT 31 Jul 90

[Text] Pyongyang July 31 (KCNA)—A soldiers meeting was held at Kim Il-song Military University on July 31 to mark the 63rd anniversary of the founding of the Chinese People's Liberation Army. Chinese Ambassador to Korea Zheng Yi, Military Attache Wang Dahui and officials of the Chinese Embassy were invited to the meeting which was attended by students of the university.

Speeches were made at the meeting.

Embassy Hosts Party

SK0208053390 Pyongyang KCNA in English 0500 GMT 2 Aug 90

[Text] Pyongyang August 2 (KCNA)—Wang Dahui, military attache of the Chinese Embassy here, hosted a cocktail party at the embassy Wednesday on the occasion of the 63rd founding anniversary of the Chinese People's Liberation Army.

Present at the party on invitation were Choe Kwang, chief of the General Staff of the Korean People's Army [KPA], General of the KPA Kim Kwang-chin and other KPA generals and officers and military attaches of foreign embassies.

Chinese Ambassador Zheng Yi was on hand.

Speeches were made there.

Group Leaves for India; PRC Delegation Arrives

SK0108105290 Pyongyang KCNA in English 1042 GMT 1 Aug 90

[Text] Pyongyang August 1 (KCNA)—A Korean trade union delegation led by Ho Yun, vice-chairman of the Central Committee of the General Federation of Trade Unions of Korea, left here today on a trip to India.

A Chinese delegation arrived here on July 31 to attend the 25th national obstetrical and gynaecological seminar scheduled on the occasion of the 10th anniversary of the founding of the Pyongyang Maternity Hospital. Delegations or delegates from Cuba, the GDR, the World Health Organization and its Southeast Asian regional office had arrived earlier.

Newspaper Reports Japan's 'Sinister Intention'

SK0208044590 Pyongyang KCNA in English 0435 GMT 2 Aug 90

[Text] Pyongyang August 2 (KCNA)—Japanese Foreign Minister Nakayama told the opening ceremony of a conference of ASEAN nations held in Jakarta some time ago that the U.S. forces play the role of "deterrent" in the Asia-Pacific region and should continue to remain in this region.

His remarks reflect the sinister intention of the Japanese reactionaries to realise their old dream of "greater East Asia co-prosperity sphere" in the Asia-Pacific region with the backing of the aggression forces of U.S. imperialism, stresses NODONG SINMUN today.

The news analyst says:

With a view to realising their ambition for overseas aggression in military collusion with the United States, the Japanese reactionaries vow to maintain the aggressive Japan- U.S. "security system" which they claim is the "basis of the Japan-U.S. relations."

Nakayama's remarks revealed once again the position of the Japanese reactionaries who do not want peace and peaceful reunification of Korea. Their argument about "stability of situation" and "guarantee of peace" in the Korean peninsula and Asia is nothing but an empty talk.

If they truly want peace and stability in the Korean peninsula and the rest of the Asia-Pacific region, they must not beg for the continued presence of the U.S. imperialist aggression forces in this region, playing the role of the mouthpiece of the United States, but demand their immediate and total withdrawal from this region.

Factory Colleges Playing 'Big Role' in Society

SK0108152590 Pyongyang KCNA in English 1502 GMT 1 Aug 90

[Text] Pyongyang August 1 (KCNA)—Factory colleges set up throughout Korea are playing a big role in the assimilation of all the members of society to the intelligentsia.

The first factory college of the country was set up in July 1951.

Now a total of one hundred factory colleges are operating.

They have trained hundreds of thousands of competent technicians well prepared theoretically and practically at the production sites.

Korea is developing various forms of educational systems such as study while—working as well as regular system of higher education.

The study-while-working higher educational system is an important means of assimilating all the members of society to the intelligentsia by letting the working people go through the course of higher education while on the job.

The state has also set up farmers' and fishermen's colleges in agricultural zones and fishing ports, thereby providing the working people with better conditions to finish the college course while at work.

Chongjin, a leading metallurgical base in the northern region of the country and Komdok and Musan, mining giants, and other areas where key industrial establishments are situated such as Yongsong, Nakwon and Taean, modern machine building industrial bases, and rural and fishing villages such as Chongsan, Unjon and Sinpo all serve as colleges.

The graduates from the colleges successfully manage the industrial establishments equipped with modern technologies and are playing a great role in the chuche-orientation, modernisation and scientification of the national economy.

Single-Hearted Unity Source of National Pride

SK0108101090 Pyongyang KCNA in English 1000 GMT 1 Aug 90

[Text] Pyongyang August 1 (KCNA)—Singlehearted unity is a great gain of our revolution and the source of our people's unbounded national pride and honor, says NODONG SINMUN in a by-lined article today.

The paper continues:

Our people's high national pride is related to the praiseworthy, distinguished achievements made in the revolutionary struggle and in all fields of the constructive work under the guidance of the great party and leader and to the solid, singlehearted unity of the whole party and the entire people centering around the leader.

Dear Comrade Kim Chong-il said:

"The greatest of our-nation-first pride is that the singlehearted unity of the leader, the party and the masses has been achieved."

The singlehearted unity is the source that makes our people feel the great national pride and mission because it makes it possible to increase the might of the nation.

To achieve singlehearted unity is the fundamental condition for strengthening the subject of the revolution.

Without the subject of the revolution fully prepared, it is impossible to make achievements in the revolution and construction, even though the situation of the revolution is favourable and the material and technical conditions are fully created. If the subject of the revolution has been consolidated on the basis of the singlehearted unity of the leader, the party and the masses, it is possible to win, no matter how unfavourable the situation may be and no matter how imperfect the objective conditions may be. This is the truth proved by the history of the revolutionary movement.

The economic and military forces share the big role with the political forces in defending the revolution and accelerating the socialist construction. What is important here is to strengthen the party and rally the entire people behind it, in other words, to achieve a solid singlehearted unity of the party and the popular masses.

Ours is the singlehearted ideolo[illegible]al unity based on the chuche idea of our party.

The ideological purity of our society that is united in one mind is conducive to pushing ahead with the revolution and construction our own way so as to win the victory of the cause of chuche and bring the advantages of our man-centred society into full play.

Our singlehearted unity is the great unity centering around the respected leader President Kim Il-song and the glorious party centre.

The greatness of the leader plus the loyalty of our people is the source of the indestructible, powerful singlehearted unity of ours.

Any imperialist aggressors can neither infringe upon our people's sovereignty nor block the dynamic advance of socialism. This confidence of our people is, so to speak, the national pride and great dignity.

The singlehearted unity is the source that gives our people high national pride also because it makes it possible to keep the characteristics of our nation and give full scope to it.

The superior national characteristics of our people have been fully displayed in smashing the anti-socialist moves of the imperialists, steadfastly defending the banner of the revolution, the banner of socialism and vigorously pressing ahead with the grand socialist construction.

Our party has achieved the most solid unity and cohesion, great singlehearted unity ever in the history of the communist movement by wiping away the alien elements such as factionalism and fully establishing the monolithic ideological system within the whole party, the article stresses.

South Korea

Government May Allow Clergy To Visit Pyongyang

SK0208012090 Seoul YONHAP in English 0054 GMT 2 Aug 90

[Text] Seoul, Aug. 2 (YONHAP)—South Korea will consider allowing a group of activist Catholic priests to visit Pyongyang for unification services if North Korea guarantees their safety, a government official said Wednesday.

Since the Aug. 14-16 trip falls within the time frame for the "grand inter-Korean exchanges of people" proposed by President No Tae-u on July 20, the official said, permission will be given if North Korea guarantees their security and safe return.

Security should be discussed at a working-level meeting with the North that No proposed take place no later than Aug. 7, but the government will accept a North Korean promise broadcast on radio, he said on condition of anonymity.

The Catholic Priests' Association for Justice said Tuesday that it would apply for permission for 15 members to celebrate mass in Pyongyang and at the border truce village of Panmunjom.

Unification Minister Hong Song-chol hinted at a meeting with ruling party officials Wednesday that the government would allow the trip to go ahead if the priests' safety was guaranteed.

Government Position on North-South Exchange

SK0208023190 Seoul Domestic Service in Korean 0100 GMT 2 Aug 90

[Text] The government has decided to allow the ROK people to visit North Korea without limitation during the period of great national exchange. Unification Minister Hong Song-chol, speaking at a press conference this morning, said that the government will issue visit permits to the organizations and individuals applying for visits to North Korea during the great national exchange period when North Korea guarantees their personal security and their safe return, even if North Korea allows their entry on a selective basis.

Minister Hong said that the government will receive applications for visits to the North for five days from 4 through 8 August. He also said that the government will drastically simplify the procedure for the visit to the North so that the applicants can follow a simple application procedure. He added that the specific application procedure and the application form will be available today.

Minister Hong, however, made it clear that the government will not allow the National Democratic Alliance of Korea [Chonminnyon] to participate in the third round of the preliminary talks for the pan-national rally to be held in Pyongyang on 6 August if only Chonminnyon participates in the talks, because the preliminary talks should be participated in by delegates from all social strata for the sake of national harmony.

Minister Hong hoped that North Korea will guarantee our people's personal security during the great national exchange period from 13 through 17 August and safe return. He stressed that the pan-national rally to be held in Panmunjom on 15 August should be participated in by people from all social strata rather than any specific organization or individuals alone, and said that the government will give all the necessary support so that the pan-national rally may become an opportunity to promote mutual trust and understanding.

Koreans Can Apply for Pass To Visit North

SK0208070390 Seoul YONHAP in English 0655 GMT 2 Aug 90

[Text] Seoul, Aug. 2 (YONHAP)—South Koreans can apply for a pass to visit North Korea at local administration offices from Saturday [4 August]. The National Unification Board said Thursday applications will be accepted Aug. 4-8 for travel to the North during Aug. 13-17. Applications, available at the offices, must be accompanied by a citizen's registration card and two color photographs.

The local office will run an identification check before forwarding the application to the Home Affairs Ministry or Seoul City Administration, from where they will be sent to the board for approval. People without a citizen's registration card, banned from leaving the country, engaged in legal proceedings or in prison are ineligible, board officials said.

Passes to visit the South will be issued to North Koreans at a booth in the truce village of Panmunjom upon presentation of an application form and photographs, the officials said. If North Korea sets a limit on the number of visitors, South Korea will issue an equal number of passes with priority given to people with an invitation from the North Korean Government.

If the border crossing falls through, applications will be held on file until visits are allowed, they said.

Kanemaru Proposes Liaison Office With DPRK

SK0208034190 Seoul YONHAP in English 0247 GMT 2 Aug 90

[Text] Tokyo, Aug. 2 (YONHAP)—Former Japanese Deputy Prime Minister Shin Kanemaru has proposed that Japan and North Korea exchange liaison offices to improve ties.

Kanemaru, who scheduled visit to North Korea in September, told the ASAHI SHIMBUN on Wednesday that he was ready to suggest the exchange to Pyongyang. Improvement of Tokyo-Pyongyang ties will be helped if North Korea releases the crew of the Fujisan-Maru, solving the biggest pending issue between the two nations, he said.

Kanemaru, a senior powerbroker in Japanese politics, said he was willing to apologize for Japan's colonial rule of the Korean peninsula and promote economic cooperation. He did not elaborate on the establishment of liaison offices, but the North Korean response is keenly awaited in Japan.

Espionage Charges Dropped Against Film Couple

SK2807073390 Seoul YONHAP in English 0723 GMT 28 Jul 90

[Text] Seoul, July 28 (YONHAP)—The Seoul district prosecution has dropped spying charges against film couple Sin Sang-ok and Choe Un-hui. The prosecution said Saturday the pair worked for Pyongyang as a film director and actress under coercion so the charges were dropped. The two were booked without physical detention under the National Security Law when they visited Seoul in June 1989 from the United States, where they have lived since escaping from North Korea.

Rival Korean Groups in Japan Agree To Cooperate

SK0108132590 Seoul YONHAP in English 1246 GMT 1 Aug 90

[Text] Tokyo, Aug. 1 (YONHAP)—Two rival organizations of Korean residents in Japan, pro-Seoul "Mindan" and pro-Pyongyang "Chochongnyon," agreed Wednesday to set up a joint liaison office which will coordinate mutual cooperation.

Negotiators of the two bodies also tentatively decided to discuss later Mindan's proposal for sending a joint cheering party to the Beijing Asiad, in which both South and North Korean athletic teams are to participate.

The agreement, first of its kind reported between the bitter rivals ever since the division of the Korean peninsula 45 years ago, was reached during a meeting between a four-man delegation from Mindan with senior leaders of Chochongnyon at the main office of the pro-Pyongyang organization.

Mindan expressed favorable response to a four-point proposal offered by Chochongnyon on July 17, which include joint participation in the Aug. 15 unification rally to be held in the truce village of Panmunjom and joint hosting of social gatherings of Koreans living in Japan to commemorate the liberation from Japanese colonial rule and promote unification of the fatherland.

The pro-Seoul organization produced in the meeting a three-point proposal, which centered on free travels by

Korean residents of Japan to both of the South and North Korea regardless of their political propensity.

* Article Examines KPA's Formation

902C0213a Seoul NAEWOE TONGSIN in Korean No 688, 20 Apr 90 pp 1A-5A

[Unattributed article: "The Process of Forming the North Korean Army and Special Characteristics of Its Military Strategy"]

[Text] (Seoul- NaeWoe)—April has been an extraordinarily busy month for North Korea. This is because on 15 April, a big fuss was made over Kim Il-Song's 78th birthday, called the Great People's Festival. Also, 21 April was the 98th birthday of Kang Ban-Sok, Kim Il-song's mother, and the 25th was founding day for the Korean People's Army [KPA]. Furthermore, it was publicly announced that the ninth elections of representatives to the People's Supreme Assembly would be held on 22 April, which has made April even busier.

As was pointed out earlier, North Korea's regular army forces, called the Korean People's Army [KPA], were established as the Peoples Army General Headquarters on 8 February 1948. The existing security patrols were reorganized, which led to the formation of three regular combat divisions; this is celebrated as the 8 February festival. In connection with the North Korean Armed Forces Day called the 8 February festival, it should be pointed out that the first special characteristic attributable to North Korea that cannot be found in other countries is that the army was founded a little more than seven months before the North Korean Government, called the Democratic Peoples Republic of Korea, was established on 9 September 1948. In other words, this was a strange occurence of the army being started before the country.

The second special characteristic related to the formation of the Korean People's Army can be found in the 25 April festival. According to announcements made by North Korean authorities, the 25th of April this year is being called the 58th anniversary of the establishment of the Korean People's Army. If this is true, then what in the world is the 8 February festival, and what is the 25 April festival?

Up until 1977, North Korea celebrated 8 February as Armed Forces Day, with events paying respect to the army that included military parades and report meetings. As we pointed out before, inasmuch as the army was founded on 8 February, there is no conflict in meaning whatsoever. However, in 1978 Army Founder's Day events were suddenly changed to 25 April. According to their claims, they have based their reasoning on the fact that Kim Il-Song established the Korean People's Revolutionary Army on 25 April 1932, and since today's Korean People's Army has its roots in that organization, one must go backwards 16 years from 1948 and make 25 April 1932 Armed Forces Day.

Even so, North Korea has not completely abolished "2.8", the short form for 8 February, and even now it is frequently used as a symbolic number for the Army. For example, the 2.8 Cultural Center is the Army meeting hall, the 2.8 Concert Band is the Army Band, and the 2.8 soccer team is the Army soccer team.

Many North Korean specialists look at the existence of the Korean People's Revolutionary Army claimed by North Korea, and of course the rabble about "leader Kim Il-Song as its commander," as a concoction to idolize Kim Il-song. This is because not only is there no record of such a huge rebel force in Japanese Army intelligence files, but also because claims about North Korea's Korean People's Revolutionary Army were not first made until 1978. And, even if exaggeration about such a small scale armed guerilla unit was true, it can be concluded that its commander was not today's Kin Il-song. It is clear from Kim Il-song's birthday that in 1932 he was a mere lad only 20 years of age, and common sense would have it that he could not be recognized as the commander of such a vast military organization.

Besides the problem of an unrealistic date, there are doubts about Kim Il-song's birthday itself. If we are positive that Kim Il-song was born in 1912, then that would place it two years after our country was annexed to Japan, and of course at that time our people used the same calendar that the Japanese had. Therefore, Kim Il-song's birthday on the Western calendar would be 15 April. Of course, it isn't possible to convert calendar dates from the perpetual almanac to the Western calendar, but when we attempt to compare the date with the change of the People's Army founding day to 25 April, no matter how we look at it, it suggests that an unacceptable date was fabricated.

In response to this, some experts assert that this can be interpreted as a mental process that considers April a good month worthy of North Korea's revolutionary generation, starting with Kim Il-song. It goes without saying that the place where today's Kim Il-song served as a member of the anti-Japanese resistance core was the Tungmen River region, where the winters are long and cold. Moreover, if he was a guerilla wandering deep in the mountains, as opposed to belonging to a normal family in a warm home, it would have been difficult to endure the intense cold and starvation. Accordingly, it would be sufficient to say that spring would be a fortunate season for him, and in particular the 15th of April, a date that falls between March and May, would be sufficient as a day of special significance. In other words, this is a persuasive argument for Kim Il-song setting up this day as his own birthday, which is not the day that Kim Song-chu (Kim Il-song's real name) was born to his mother, Kang Ban Sok.

The Armed Forces Day of the People's Army being changed to 25 April can be analyzed in a similar vein. Namely, when they originally looked at the geographical regions of North Korea on 8 February, the season was

deemed to be an inappropriate time to stir up a festival atmosphere. Accordingly, they were forced to fabricate this date, under the reasonable calculation Armed Forces Day festivities must be carried on at least 10 days after the birthday of Kim Il-song, the supreme commander of the People's Army; there is no connection whatsoever to an organization called the Korean People's Revolutionary Army, which never really existed.

However, regardless of whether or not it is true, the North Korean Army's claim to changing Armed Forces Day from 8 February to 25 April is an issue that is intimately related to the concepts behind their military strategy. We can see that just as in the armies of other countries, structural and strategic characteristics exist in the Korean People's Army that cannot be easily detected.

If we recognize North Korea's claims to be valid, then 8 February would be the day set aside for the regular army called the Korean People's Army, and 25 April is set aside for the non-regular army guerrilla unit called the Korean Peoples' Revolutionary Army. Thus, changing the date from 8 February to 25 April materializes the theory that the foundation of the regular army was alid on the non-regular forces.

When the military power structure is being built in the army of any country, it is normal for the first priority to be the establishment of the regular army, and then in support of the operations of the regular army, non-regular special forces are maintained on a small scale as needed. Therefore, North Korea has this backwards; the activities of the non-regular special forces become the nucleus and then the regular army is established. Regardless of whether or not this is true, North Korea's claim literally reveals that they place heavy emphasis on non-traditional warfare in the People's Army.

Generally, mankind has the habit of judging today based on his own experiences of yesterday. We must consider that Kim Il-song has exaggerated about his guerrilla activities during the anti-Japanese resistance era, and now is infatuated with the nostalgia of it all and the confidence it brings him. Because of this, in one of the books on Kim Il-song's counsel on military affairs, called "Wonderful and Glorious War Tactics", an inordinately large number of instances have been discovered where he emphasizes non-regular war adventures over regular army exploits.

From this material, we can point out an assertion made during the Korean war, which is included in a speech at the general conference of the central party committee held in Chagang Province, Manpo County, Pyoloh village on 23 December 1950. Kim Il-song greatly lamented that "guerrilla activities had not been initiated at the rear of enemy forces", and after that, he only reluctantly said that "during the war to liberate the fatherland, if he had only three regiments of foot soldiers from the Munkyong mountain passes he could have easily pushed all the way to Pusan." If we take all this into consideration, we have to conclude that Kim Il-song's ideology of putting heavy emphasis on non-traditional warfare is an unmovable strategic foundation of North Korean military affairs.

Also, in volume five of the collective works of Kim Il-song, there is a lot of material emphasizing the implementation of non-traditional warfare. A few representative lines are included below:

"Korea is a country with many mountains and rivers and a long coastline... making good use of geographical conditions, if we make night attacks and implement mountain warfare, if we wisely combine large unit strategy with small unit strategy, regular warfare with guerrilla warfare, we will be able to easily crush an enemy that may be armed to the hilt with the latest military technology."

"Contrary to present military theory, where small unit activities are recognized as a means of support to supplement intelligence collection activities and large unit strategy, in modern warfare victory can be ensured only through a wise combination of both types of military actions."

"... On this topic there are fundamental demands that require the establishment of regular warfare and guerilla warfare as a two-part framework of fighting on the battlefield... we are thoroughly opposed to the trend of guerrilla warfare being implemented carelessly so that a second strong battle front cannot be formed by the the enemy or the abandonment of powerful guerrilla activities that encircle and annihilate the enemy wherever he may be."

In this way, the literal reflection of Kim Il-song's ardent demands for guerrilla warfare is in the strategic concepts of the People's Army; 1) combination of regular and non-regular warfare, 2)first-strike surprise attacks, and 3) speed battles (short-term decisive battles and lightning-quick attacks) are three related activities of military war strategy that are closely intertwined.

North Korea's ideology of heavy emphasis on guerrilla warfare is a special characteristic of the People's Army's military organization and war strategy to the extent that it caused them to move the Army's founding day from 8 February to 25 April.

North Radio Praises Kim Il-song's Father

SK2707124190 Seoul THE KOREA HERALD in English 27 Jul 90 pp 2-3

[Text] SEOUL (Naewoe)—In observing the 96th birthday anniversary of Kim Hyong-chik, the deceased father of Kim Il-song, north Korea has escalated a campaign to emulate his "revolutionary spirit," in a special program broadcast over the north Korean Central Broadcasting Station on July 10 to praise his alleged anti-Japanese activities in the 1910s. Kim was born on July 10, 1894, and died on June 5, 1926.

The account, entitled, "Harboring a Lofty Will of Patriotism," asserted that Kim Hyong-chik was one of the

anti-Japanese revolutionary pioneers, who devoted his entire life to the independence of the fatherland by organizing the "Korean National Council" on March 23, 1917, which the radio alleged was the largest underground organization of the anti-Japanese liberation movement before and after the "March 1 Anti-Japanese People's Uprising" in 1919. The radio depicted him as an "outstanding leader of the anti-Japanese revolutionary struggle."

The radio also asserted that Kim's activities at that time were notable in that he also devoted himself to moving the direction of the national liberation movement to the Communist movement. Under his "energetic leadership," the radio alleged, various anti-Japanese armed struggles began in the areas around the Yalu River and Mt. Paektu.

Editorial on U.S., Japanese Ties With DPRK

SK0108135090 Seoul SEOUL SINMUN in Korean 27 Jul 90 P 2

[Editorial: "Moves of the United States and Japan To Improve Relations With North Korea"]

[Text] The moves to improve relations between the United States and North Korea and between Japan and North Korea now seem to be progressing rapidly. Since last year, the United States has had contacts with North Korea in Beijing 11 times. Referring to such frequent contacts with North Korea, a high-level U.S. official said, "Now is definitely a smooth period." This implies that progress has been made on the issues of returning the remains of U.S. soldiers and of renouncing terrorist activity, which the United States had proposed to North Korea as part of its indispensable preconditions for improving relations between them.

With regard to the issue of renouncing terrorism, Caston Sigur, former U.S. assistant secretary of state, recently testified that there have been no reports of terrorist activity by North Korea in the past two years.

In the relations between Japan and North Korea, as well, it seems that progress is being made in the wake of the recent visit by a delegation of the Japan Socialist Party [JSP] to North Korea.

In its contact with the JSP delegation, North Korea reportedly called for "an apology for the past Japanese colonial rule" and "compensations for it." North Korea also claimed that the controvertial issue of the former North Korean soldier, Sergeant Min, and the incident of the Japanese fishing boat, Fujisan-Maru—which have been obstacles to improving relations between Japan and North Korea—are separate issues from the issue of improving relations between them. The JSP delegation, too, reportedly showed a flexible attitude. Thus, the two sides seem to be accelerating efforts toward improving relations.

In its efforts to improve relations with North Korea, the United States seems to be placing emphasis on developing relations between the North and the South of Korea first. In other words, the United States seems to be concentrating its efforts on persuading North Korea to open its society and, thus, to cooperate with the U.S. policy of perserving peace on the Korean peninsula.

In this regard, it seems that Japan, too, is seeking a similar policy. However, Japan seems to be rushing to improve relations with North Korea in a bid to secure an influence over the question of the Korean peninsula equivalent to the influence that the United States, China, and the Soviet Union have.

The situation facing North Korea today is very delicate. North Korea's relatively rapid moves to improve its relations with the United States and Japan are due to South Korea's successful northern policy. In other words, South Korea's moves to improve relations with the Soviet Union and China constitute a factor pressing North Korea to improve relations with the United States and Japan. North Korea's difficult economic situation is another reason for its moves to approach the United States and Japan.

We do not view North Korea's moves to improve relations with the United States and Japan in a negative way. Our government wants North Korea to end its present state of international isolation and to enter the international arena. Our government also wants our allies to exercise their influence over North Korea. If and when our allies' contacts with North Korea contribute to preserving peace on the Korean peninsula and are conducive to saving North Korea from international isolation, this is indeed desirable.

However, we do not wish our allies to unconditionally approach North Korea. In particular, for the improvement of relations between the United States and North Korea, North Korea should sign a nuclear safety agreement first, as the United States has requested. It has been learned that the United States will consider exchanging liason offices "at a proper time." However, North Korea's nuclear issue should be settled first in order to guarantee security on the Korean peninsula. At the same time, we have found no proof that North Korea has renounced its strategy of communizing South Korea.

North Korea rejected all proposals that we advanced recently, thus making the issue of the Korean peninsula more difficult. North Korea should come to the table of North-South dialogue with a sincere attitude to settle the question of the Korean peninsula before it tries to improve relations with the United States and Japan.

USSR, DPRK Envoys Recalled Indefinitely

SK0208035890 Seoul Domestic Service in Korean 0100 GMT 2 Aug 90

[Report by correspondent Yu Sung-che]

[Text] Japanese SANKEI SHIMBUN today reports that Son Song-pil, North Korean ambassador to the Soviet Union, has not returned to the Soviet Union since he went to North Korea last April, and that Bartoshevich, Soviet ambassador to North Korea, went to the Soviet Union and has not returned to North Korea.

SANKEI SHIMBUN noted that the ambassadors' absence from the countries in which they serve for a protracted time is an unusual development in diplomatic practice, and it said that the relations between the Soviet Union and North Korea are rapidly cooling.

It seems that in recalling its ambassador, North Korea is expressing its dissatisfaction with the rapid development of improving relations between the ROK and the Soviet Union as a result of the ROK-USSR summit talks early last June, followed by the arrival of our government delegation in Moscow on 1 August.

A Soviet Foreign Ministry source did not disclose when Bartoshevich, Soviet ambassador to North Korea, had left North Korea, and said that Ambassador Bartoshevich would return to Pyongyang if Son Song-pil returns to Moscow.

USSR's Titarenko Interviewed on Ties

SK0208000790 Seoul CHOSON ILBO in Korean 29 Jul 90 p 2

["Summary" of interview with Mikhail Titarenko, director of the Far East Institute in Moscow, who attended an international seminar on Korean affairs, hosted by the East Asian Institute at the University of Pennsylvania in the United States, by correspondent Kim Chang-ki on 27 July]

[Text] [Kim Chang-ki] When do you think Korea and the Soviet Union will establish diplomatic relations?

[Mikhail Titarenko] We do not have to wait that long. This is because the two countries have already experienced considerable cooperation, exchanges, and trust. There are some Korean leaders who are somewhat cautious with regard to this issue because of the current difficult economic situation in the Soviet Union and because of the lack of knowledge about the Soviet economy. However, on the whole, considerably good relations have been established between the two countries. We can say that previous barriers have all been eliminated now.

[Kim] What is the correlation between economic cooperation and diplomatic ties?

[Titarenko] I don't think there is a direct correlation. However, it is clear that development between the two countries in all fields, including the field of economic cooperation, will hasten the establishment of diplomatic ties. This in turn will serve as an incentive for developing economic cooperation into a new phase.

[Kim] In economic cooperation with Korea, in what field does the Soviet Union expect to achieve progress? Also in what field do you think can the Soviet Union be of help to Korea?

[Titarenko] There are many fields in which we seek cooperation with Korea. First of all, there is the development of natural resources and industry in Siberia and the far east region, and the possibility of producing home appliances such as television sets and automobiles through a joint venture between the two countries. We also expect to cooperate with each other in shipbuilding and ship repairs, in modernization of transportation, and in the field of energy development. It will be good if Soviet science and technology and natural resources are combined with Korea's experience of commercializing them.

The Soviet Union will be able to sell to Korea its natural resources, transfer science and technology, and sell patent rights.

Korean students will be able to study in the Soviet Union, and Soviet students will be able to learn business management and marketing in Korea. Also, various cultural exchanges can be carried out.

[Kim] Do you think a joint venture project with North Korea is possible in Korean-Soviet economic cooperation?

[Titarenko] That is quite possible. This will be all the more possible if North and South Korea achieve concrete agreements through dialogue. Not only can tripartite cooperation be achieved, but multifaceted cooperation among the United States, China, and Japan could be possible.

[Kim] What is the Soviet Union's policy on the issue of disarmament between North and South Korea and of easing tensions in Northeast Asia? In President No's speech at the UN General Assembly in 1988, he proposed the formation of a peace council consisting of six countries that will hold discussions on not only the Korean peninsula issue but also on the issue of cooperation in Northeast Asia. Also in President Gorbachev's Krasnoyarsk speech in 1988, he proposed a peace conference in Northeast Asia. What is your view on this?

[Titarenko] The issue of disarmament between North and South Korea greatly depends on North-South dialogue. It is very important for North and South Korea to first of all reach an agreement on nonaggression and the principle of reducing military confrontation by mutual disarmament. After this is achieved, they must agree to gradually reduce arms.

Korea and the U.S. side must also equally prepare to reduce arms. Achievements must be made to suspend large-scale military exercises step by step, to stop the military exercises near the Demilitarized Zone, to gradually reduce the U.S. troops, and to withdraw nuclear weapons.

Along with these, regarding North and South Korean security, it will be possible for the United States, the Soviet Union, and China to be the guarantors. In this respect, President Gorbachev's Krasnoyarsk speech and President No's UN speech are of the same context. The Soviet Union is positive about President No's proposal. In the same manner, President Gorbachev's proposal must also be realized.

[Kim] What is your opinion on the issue of North Korea concluding the nuclear safeguards agreement?

The investigation by the International Atomic Energy Agency must coincide with the interest of North Korea, and if North Korea concludes this agreement, the international assessment of North Korea will be improved.

Of course the United States and Korea must take into consideration the fact that the United States must guarantee North Korea that it will not use its South Korean-based nuclear weapons on North Korea. However, I do not think that this is directly related to the issue of North Korea concluding the agreement.

[Kim] What is the position of the Soviet Union on the issue of North and South Korea's UN entry?

[Titarenko] This issue must also be resolved through dialogue between the North and South first. The Soviet Union thinks that whatever the case, Koreans should represent themselves in the United Nations. The Soviet Union sees no reason for North and South Korea to simultaneously enter the United Nations and does not think that this is a reason for the perpetuation of division. Whether North and South Korea enter the United Nations with one seat or two seats, this issue must be decided by North and South Korea. The Soviet Union believes that Koreans must have a seat in the United Nations, whatever the form may be.

In the meantime, on the afternoon of 28 July, Director Titarenko made a keynote speech during the seminar on the prospects for reunification on the Korean peninsula and stated a five-point plan that is necessary in the international approach toward the Korean peninsula issue.

The first point is that it must be recognized that there are two nations on the Korean peninsula which are North and South Korea, and that the desire for peaceful reunification by the North and South Koreans must be respected. The second point is that reunification between the North and South must not hinder the relations which North and South Korea each have formed with the international society. Reunification must not obstruct the principle of peaceful existence in the international society. The third point is that the process of reconciliation, promotion of trust, dialogue, and cooperation between the East and West must also be spread in the strategic relations among the United States, the Soviet Union, and China so that tensions and military confrontation can be eased between North and South Korea and constructive dialogues can be achieved.

The fourth point is that it is desirable to choose an international guarantor for peace and security on the Korean peninsula through multifaceted dialogue including North and South Korea. In this case the United States, Soviet Union, China, Japan, or the United Nations can participate as international guarantors. Finally, the fifth point is that the issue of withdrawing nuclear weapons and U.S. troops from the Korean peninsula must be resolved in connection with the overall situation of this region and in accordance with the tripartite negotiations which includes North and South Korea and the United States.

State To Participate in Soviet Communications

SK2507011190 Seoul THE KOREA TIMES in English 25 Jul 90 p 3

[Text] Korea will take part in the construction of the 14,000-kilometer Trans-Soviet Line, the Korea Telecommunication Authority [KTA] announced yesterday. KTA and France Telecom were added to the Trans-Soviet Line Development Corporation (TSL-DC) last week at its steering committee meeting held in Copenhagan, Denmark, a KTA official said.

The official said the huge project, estimated to cost about 500 million U.S. dollars, is divided into four segments. The first segment will link Denmark with Moscow, the second Moscow with Italy and the third Moscow with Nakhodka, he said, adding that laying of the three segments will cost about 434 million dollars.

Korea and Japan will participate in the 47-million-dollar line stretching some 1,200 kilometers from Nakhodka to Hamada, Japan, via Ulung-do, Korea, the official said.

Besides KTA and France Telecom, TSL-DC includes the Soviet Ministry of Posts and Telecommunications, U.S. West of Colorado, Kokusai Denshin Denwa (KDD) of Japan, Societa Finanziaria Telefonica (STET) of Italy, British Telecom, OTC of Australia, Denmark's Great Northern Telegraph Company and Telecome Denmark and Deutsche Bundespost Telekom of West Germany.

Korea will be able to have access to the shortest land communication link to Europe through its participation, the KTA official said, as now Korea must route its communications with Europe through Japan.

Korea is also hoping to take part in the 10,000-kilometer Moscow-Nakhodka project which will be divided into 60 subsections. The KTA official said that the prospective contractors, U.S. West and the Soviet ministry, are hoping Korea will help in its construction as well as furnish fiber optic cables.

Construction of the first three segments are scheduled to be completed by the end of 1992, the official said, and the last segment in 1995. However, he envisions a possible delay, because the 500 mega bit per second fiber optic cables, needed for the project are still classified as a strategic item whose export to communist nations is

banned under regulations adopted by COCOM (the Coordinating Committee for Multilateral Export Controls).

The official said the TSL-DC steering committee would hold its coming meetings in Rome this October and in Seoul next February.

Soviet Official Seeks Patent Protection

SK0208003190 Seoul THE KOREA HERALD in English 2 Aug 90 p 6

[Text] Korea and the Soviet Union will likely conclude an agreement on mutual patent cooperation.

The tentative agreement was made yesterday when V.M. Torbenko, deputy chairman of the Soviet's State Committee for Inventions and Discoveries, visited Kim Chol-su, commissioner of the Korea Industrial Property Office [KIPO], at Kim's office.

In the meeting, the two also agreed on the exchange of information and documentation as well as experience and working methods relating to various aspects of patent business, a KIPO spokesman said.

In order to carry out additional programs of cooperation between the two organizations, they also recognized the need to have an annual meeting of experts to be held alternatively in Korea and the Soviet Union, he said.

To sound out the possibility for early conclusion of inter-office agreement on patent cooperation, a meeting between the representatives of the two sides will be held in the near future, he said.

Korean-Soviet Hydraulics Specialist Visits

SK2807010190 Seoul THE KOREA HERALD in English 28 Jul 90 p 3

[Text] A Korean-Soviet, an authority on hydraulics, returned to Korea some 45 years after he left Seoul to defect to north Korea.

Tyan Hak-su, 58, who, in 1945, crossed the 38th Parallel at the age of 15 longing for socialist ideology, and again defected to the Soviet Union in 1961, arrived yesterday on an Aeroflot flight from Moscow.

"The purpose of my visit is to publish my autobiography in cooperation with Munhaksasang, a literary publication, and let every one here realize how empty it is to blindly pursue ideology," said the Russian-educated scholar. "I'm really glad to step upon the soil of my fatherland I had dreamed of visiting," said Tyan "I'd like to tell people here who are going through ideological discord about my whole life by publishing my autobiography."

Tyan was known for his talent in science as a middle school student in Pyongyang, and was sent to Moscow for education at Moscow State University in 1950. After graduation, the scholar taught at Pyongyang Technical College until he defected to the Soviet Union by swimming across the Yalu River in 1961.

Tyan said he became disillusioned with the north Korean system while witnessing mass purges by Kim Il-song in the wake of the Korean War (1950-53).

Government Sets Travel Rules for Asian Games

SK0208010590 Seoul THE KOREA TIMES in English 2 Aug 90 p 3

[Text] The government will allow a score of travel agencies to send some 4,000 Korean tourists to China on package tours during the Beijing Asian Games.

The Transportation Ministry announced yesterday that the tours will run between Sept. 17 and Oct. 10 and the number of trips by Korean tourists will be limited to only once during the games period.

The duration of their stay in China, which has no diplomatic ties with Korea, will be a maximum of 11 days and they will have to attend either the opening or closing ceremony and at least one sports event with Korean competitors, a ministry spokesman said.

The ministry yesterday sent a guideline to that effect to the Korea Tourist Association (KTA) which will oversee the tours. The KTA was told to give permits to arrange tours to tourist agencies which have agreements with Chinese travel agents and can secure lodging and transportation services. The spokesman said out of some 200 licensed travel agents, only 20 to 30 agencies can organize such tours.

The civilian tourist body will soon form a task force to screen the travel agents and do other administrative work, he said.

The Asian Games Korean tourists will visit China on cultural or business visas because Seoul and Beijing lack an agreement on tourism, the spokesman said.

Embassy in Kuwait To Stress Protecting Koreans

SK0208090890 Seoul YONHAP in English 0904 GMT 2 Aug 90

[Text] Seoul, Aug. 2 (YONHAP)—The South Korean Foreign Ministry has instructed the Korean Embassy in Kuwait to take full emergency measures to protect Koreans living there from danger caused by the invasion of Iraq.

Ministry spokesman Chong Ui-yong said Thursday that initial reports indicate no injuries among Korean workers and residents. Chong said the embassy had taken emergency measures to evacuate 74 workers on a power-transmission line construction project in the Kuwaiti border region of Jahrah.

There are 706 Koreans living in Kuwait, the ministry said.

Evacuations Considered

SK0208134890 Seoul Television Service in Korean 1200 GMT 2 Aug 90

[Text] The Foreign Ministry held an emergency meeting chaired by Vice Minister Yu Chong-ha this afternoon and discussed measures, including the issue of protecting Korean residents in Kuwait. At the meeting, the ministry decided to rapidly take all possible steps, including the evacuation of Koreans living there, depending on how the situation develops.

State Willing To Discuss Pacific Security Plan

SK3107005390 Seoul THE KOREA TIMES in English 31 Jul 90 p 2

[Excerpt] Singapore (Special)—A Foreign Ministry official said yesterday that the government is willing to discuss a Canadian proposal for the establishment of a "North Pacific Security Cooperation Dialogue" among the seven countries in the region.

Canadian Secretary of State for External Affairs Joe Clark recently made the overture for the dialogue among South and North Korea, China, Japan, the United States, the Soviet Union and Japan.

The official now accompanying Foreign Minister Choe Ho-chung to the second ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) in Singapore explained, "The Canadian proposal is similar to President No Tae-u's offer for a consultative meeting of six countries in the region for the settlement of peace."

The official, on condition of anonymity, said that the government, however, is not yet prepared to commit itself to any moves for setting up an institution related to security in the region. [passage omitted]

Hungarian Businessmen Arrive for Research

SK2607075790 Seoul YONHAP in English 0631 GMT 26 Jul 90

[Text] Seoul, July 26 (YONHAP)—Six Hungarian business executives are visiting South Korea on a fact-finding tour in anticipation of the establishment of a credit union, the National Credit Union Federation of Korea (NACUFOK) said Thursday.

Led by Csaba Balind, a manager at MOSZ (the National Federation of Agricultural Cooperatives and Producers of Hungary), the team will call on NACUFOK branches and headquarters and the national agricultural cooperative federation.

They arrived Wednesday and are scheduled to leave Aug. 1.

International Police Leaders Meet in Seoul

SK2507015390 Seoul YONHAP in English 0144 GMT 25 Jul 90

[Text] Seoul, July 25 (YONHAP)—Terrorism, drug smuggling and organized crime topped the agenda when the Third Congress of the Asia-Pacific International Chiefs of Police opened in Seoul on Wednesday.

Some 150 police leaders from 29 nations are attending the three-day event at the Sejong Cultural Center, co-sponsored by the National Police Headquarters (NPH) and the International Association of Chiefs of Police (IACP), an organization based in Arlington, Virginia.

International terrorism, the growing Asia-Pacific drug trade and joint investigation of cross-border crime rings will be discussed by participants who include William Sessions, director of the U.S. Federal Bureau of Investigations (FBI), and Akio Kanazawa, general director of Japan's National Policy Agency.

Participants will be briefed on the administrative policies of different countries, statistics and reports on regional narcotics trade, and the relatively new computer crimes.

An Ung-mo, home affairs minister, said in an opening address the Korean Government will step up its cooperation with foreign police forces to "break the crime chain of drugs, terrorism and gangsterism."

IACP was founded in 1940, primarily for the exchange of information among police leaders. It now claims a membership of more than 14,000 people from 72 countries. Korea has 27 full members in the association, which it joined in 1957.

State Becomes Full Member of Aviation Body

SK2807003790 Seoul THE KOREA TIMES in English 28 Jul 90 p 2

[Text] South Korea became a full signatory to International Conventions on Civil Aviation yesterday when a protocol took effect, the Foreign Ministry said. Korea is the 23rd nation to ratify the protocol for the suppression of unlawful acts of violence at airports serving international civil aviation," adopted at Montreal in February 1988, a ministry spokesman said.

A ratification instrument was submitted to the International Civil Aviation Organization (ICAO) on July 27 by Foreign Minister Choe Ho-chung, he said.

The protocol is supplementary to the 1971 Montreal Convention "for the suppression of unlawful acts against the safety of civil aviation," he said. The protocol additionally list unlawful acts of violence against people, facilities and planes at international airports as objects of punishment. It also gives the right to punish criminals to the nation where the crime takes place, the nation where the criminal is located and the nation where the plane is registered. The nation where the criminal is located has

responsibility to punish him if it refuses to transfer him to the nation where the crime took place.

Government Plans Foreign Ministry Reorganization

SK3107073390 Seoul YONHAP in English 0543 GMT 31 Jul 90

[Text] Seoul, July 31 (YONHAP)—Changes in South Korea's relations with the Soviet Union and China have made it necessary to reorganize the Foreign Ministry, a government source said Tuesday. A structural focus on the United States, Japan and Western nations will be replaced with "omnidirectional diplomacy," the source said.

"Our diplomacy should now be diversified as the cold war structure is collapsing and it is inevitable to reorganize the ministry in a way backing the diversification. We have to strengthen our friendship with traditional friends, while improving relations with communist countries. We should also make stepped-up endeavors to enhance South-South cooperation with developing countries," the source said.

The source said long- and mid-term plans were under study to restructure the ministry to attain the diplomatic goals. Emphasis will be put on support for the 2.2 million ethnic Koreans in the Soviet Union and China, who had remained beyond ministerial concern and support in the absence of diplomatic relations between Korea and those countries.

"Now that our relations with those countries are improving and will further improve in the days to come, we can and should render support for the ethnic Koreans there. They number as many as those in non-communist countries," he said.

It is likely the ministry's Bureau for Consular Affairs and Overseas Koreans will be divided into one bureau for overseas Koreans and another for consular affairs. To keep in close touch with the rapidly changing international climate and to reflect it in diplomatic policies, an office to watch and analyse changes will be established. The ministry's Institute of Foreign Affairs and National Security will be expanded to back up policy-making.

The securities division of the ministry's American Affairs Bureau may be changed into an arms control division or expanded into an arms control bureau to handle arms control talks. Arms control is expected to emerge as one of the most serious topics between South and North Korea as their talks progress.

South and North Korea's prime ministers will meet in Seoul on Sept. 4 and in Pyongyang on Oct. 16.

General Writes Article on Improving Army Image

SK3107120090 Seoul CHOSON ILBO in Korean 26 Jul 90 p 18

[Article by reporter Kim Hyo-chae]

[Text] An article that a ROK Army major general on active duty recently contributed to an army publication has become the subject of conversation these days. The article stresses that our army [army, throughout item, refers to combined forces] has been criticized by the people today because of the problems it faces. The contributor of the article is Major General An Pyong-ho, who hails from the 20th Class of the ROK Military Academy and is now serving as deputy commander of an army corps after serving as commander of an army division.

Maj. Gen. An Pyong-ho contributed this article to the 1990 summer issue of THE ARMY, a quarterly magazine published by the ROK Army Headquarters, with the title "The Way To Establish the Image of the Army: A New Start in the Understanding of the Establishment of a New Image." The article bitterly criticizes the errors that the army has made since its founding and stresses that only on the basis of reflecting on such errors can the army occupy the position as an army of the people, which will win the people's support.

In the article, Maj. Gen. An stresses that "Despite the fact that our army has thus far made many contributions to developing our country, the people's sentiment toward the army has been negative, and their distrust in the army has grown to the point where it cannot be washed away easily. This is an undeniable fact." He then enumerates the following five points as the reasons for this: First, the destruction of the lives and property of innocent people in the course of the mopping-up operations against the leftist forces in the early days, right after our country's founding. Second, our unfortunate past in which our army had to become involved in bringing under control our country's critical situation. Third, the people's bad impression of some military cadres who lack character and professional ability. Fourth, the people's bad impression of the illicit acts and irregularities in the army in the past. Fifth, the existence of such bad practices as the beating of juniors by seniors.

Maj. Gen. An Pyong-ho cites the following incidents: Some insidious rebels from the 14th Regiment of the ROK Army—which had been mobilized and deployed to suppress the riot incident on Cheju Island on 3 April 1948—triggered the military insurrection in Yosu and Sunchon in South Cholla Province on 20 October of the same year. In the insurrection, more than 2,600 people were killed, and many civilian homes and other buildings were destroyed. The scandal of the national defense reserve corps, which occurred during wartime in 1951, aroused a great controversy among the people. In early February 1951, when it conducted mopping-up operations against communist guerrillas in the area of Mt. Chili, the 3d Battalion, 9th Regiment of the ROK Army, perpetrated the atrocity of murdering not only communist guerrillas, but also many innocent civilians, in the area of Sinwon-myon, Kochang County, South Kyongsang Province.

Maj. Gen. An's article stresses that "The direct or indirect involvement of our army in such unfortunate incidents as the 16 May military coup in the sixties and the 17 May incident in the eighties deepened the people's misunderstanding of and distrust in the army" and continued to say that "In the past, the prestige and image of our army further suffered a severe downgrading due to various scandals perpetrated in the army, such as the illegal sale of scrap iron, irregularities in handling military supplies, illegal side businesses in the army units under the pretext of promoting the soldiers' welfare, farming work in the army units, and irregularities in the military conscription administration. The people still believe that the legacies of such irregularities and scandals still exist today."

This article also notes the lack of the ROK Army's professionalism as a major problem and said that it is regrettable that while there are many cadres who can talk extensively about non-military affairs, few of them are able to talk about war theories by Clausewitz or by (Jominny).

Maj. Gen. An, referring to beatings in the army, went on to say that the people are shocked to learn that beatings and cruelties are still practiced in the army of our country, which has a per capita GNP of $5,000, when they no longer exist not only in the armies of such advanced countries as the United States, England, and Germany but also in that of Japan, where beatings first originated. He added that no matter how hard we try to claim that we are managing the units with respect for the soldiers' character and with rationality, it will not convince the people, particularly the parents who lost their sons from beatings. Maj. Gen. An said that as long as this evil practice exists, we can hardly expect the people to trust our army, adding that it is quite natural for the people to hold some suspicions about the army. He then stressed that to restore the people's trust in the army, the army should establish ethical rules that the soldiers should follow and enhance its professionalism. He stressed that as for the soldiers' ethical rules, since the soldiers must execute their superior's orders in cases of emergency, even if they are the most unreasonable orders in view of the special characteristics of the army, the army should manage the units in a very reasonable way in times of peace and maintain an attitude by which the superior devotes himself to his men so that even unreasonable orders can be carried out in emergencies.

High ranking officers of the army fully agree with the views expressed in Maj. Gen. An's article. An officer in the Defense Ministry said, "We think that Maj. Gen. An's views speak for the officers who ardently desire a reform in the army," adding, "There are still officers in the army who think that they have not done anything wrong. But for the army to command love from the people and to be made into a strong army, it should reflect on what it did no matter how painful it may be. We cannot overstress the attitude of humbly reflecting on what we have done in the past."

DLP Survey on Local Autonomy, Elections

SK0208010190 Seoul THE KOREA TIMES in English 2 Aug 90 p 2

[Text] About seventy percent of the people want the local autonomy system to be practiced by early next year, according to a survey conducted by a research institute affiliated to the ruling Democratic Liberal Party. [DLP]

More than 71 percent of the 1,800 answerers responded that they are opposed to letting the political parties field candidates for the elections to local councils while only 23 percent people expressed their approval.

Questioned about what the local council elections will be like, 73 percent revealed concern that the elections will be corrupt and over-heated.

Seventy seven percent of the polled answered that the local councils will be helpful for the development of local district politics.

Asked about the character necessary for candidates to the local councils more than 80 percent preferred the persons who can contribute to democratization and about 78 percent chose those who will spare no efforts for the development of the local districts.

On the question of the time to practice the local autonomy, about half of the people who live in Cholla-do south-west of the country, responded that they hope the elections will be held this year. The area is the power base of the opposition Party for Peace and Democracy.

* Ex-RDP Assemblymen Frustrated by Slow Reform

902C0230A Seoul CHUGAN CHOSON in Korean 27 May 90 pp 22-23

[Article by reporter Yi Chin-kwang: "Former RDP Assemblymen Within the DLP Are Disconcerted by Halfhearted Reform Measures, Thereby Interjecting a New Political Factor Prior to the Forthcoming Extraordinary National Assembly Session"]

[Text]Wavering Since Merger, Worried About Uncertain Prospect for Reelection

Some see the possibility that the wavering of some of the former RDP [Reunification Democratic Party] assemblymen within the DLP [Democratic Liberal Party] will operate as a new variable on the current merger negotiations between the PPD [Party for Peace and Democracy] and the Democratic Party. Attention is now focused on this variable because it seems that the effect of this wavering will begin to be felt during the 149th extraordinary National Assembly session which is slated to be convened on or about 29 May.

A source well informed on the internal situation of the ex-RDP wing of the DLP recently said: "If economic reform measures, including those for making business conglomerates dispose of their land and for expanding housing construction for low-income urban families, are

not implemented on a sustained basis, and if political reform measures, such as the revision of the National Security Law and the Law on the Agency for National Security Planning [NSP], are not adopted at the forthcoming extraordinary National Assembly session sufficiently to meet the demands of the ex-RDP assemblymen, no one can rule out the possibility that some of these ex-RDP assemblymen will initiate some collective move." The same source predicted that "if the 149th extraordinary National Assembly session should stop at handling such agenda items as the election of the speaker and vice speakers and fail to go beyond deciding to convene another extraordinary session, namely, the 150th, then some of the former ex-RDP assemblymen may change their course of action, depending on the political situation prevailing at that moment."

This is to say that if the ex-RDP assemblymen should fail to win popular support for their role as the reform-minded force within the DLP, there is the possibility that some of these assemblymen will bolt the DLP.

The ex-RDP assemblymen within the DLP have been wavering since the beginning of the merger primarily because they are not sure that they will be reelected in the next general election on the DLP slate. This wavering is said to be very acute particularly among the ex-RDP assemblymen from major urban areas in Seoul, Kyonggi, and Pusan.

It seems that as the popularity of the DLP sharply plummets and as the limitations of the ex-RDP assemblymen's demands become apparent, a restless feeling continues to smolder in the minds of the ex-RDP assemblymen. The ex-RDP assemblymen from local constituencies need not be told of the results of the public poll conducted by the DLP itself, which showed only 14 percent of the respondents supported the DLP, because they are keenly aware through experience of the lack of support among their local constituents for the DLP. Particularly in major cities such as Seoul and Pusan, the dissatisfaction of the urban populace with the skyrocketing deposit money for leasing rooms or monthly rentals for housing is said to be transforming into dissatisfaction with the DLP itself, continually disturbing the ex-RDP assemblymen with a sense of inner conflict and wavering in their minds.

In the case of one assemblyman from a Seoul constituency, key ex-DJP organizers advised him on several occasions: "Why did you join the ruling party? You should have remained in the opposition." Each time this assemblyman went out to his constituency, he noticed that the people who used to be close to him when he was in the opposition began to be cool toward him, and this experience has put him strongly in doubt about the prospect for his winning in the next election. In addition, he confessed that he has often experienced humiliation when the voters who were hit hard by the soaring key money for the lease of rooms or monthly housing rentals openly abused the government and the DLP, confronting him with these words: "Wait and you will see what happens in the next election. Never dream of becoming an assemblyman for a second time."

One national assemblyman from a Pusan constituency sighed: "As things stand now, I cannot even think of going down to my constituency. An increasing number of opposition supporters are withdrawing their support from me, and what is more, I have been unable to completely absorb the former ruling party machinery either. If you are an opposition assembly, you have another chance when you lose the election. But when a ruling party assemblyman loses the election, he is finished. Worries and anxiety upset my stomach and keep me awake at night."

Most of the ex-RDP assemblymen from major urban electoral districts are said to be in a similar plight on the whole as the one described above. Not only the Young Turks but even some key assemblymen are experiencing mental conflict.

A close associate patronized by Kim Yong-sam, DLP representative supreme council member, complained of his quandary with these words: "I have not said it openly since the merger, but frankly, my personal agony has been beyond expression. I cannot turn my back on representative supreme council member Kim, but on the other hand, if I am to sit still quietly on the status quo, the prospect for the next election looks very bleak."

As things stand now, it is impossible to pinpoint who these wavering ex-RDP assemblymen are. This is because even the grumbling assemblymen will find it difficult to make up their minds at a crucial moment due to the circumstances they are in.

Collective Move, Once Made, Would Impact Oppression Merger

However, it is possible to name those assemblymen who may be wavering, judging by the situation in their respective local constituencies and on the basis of their routine parliamentary activities. Observers regard the following assemblymen as those who are in anguish: Paek Nam-chi, Kang Sin-ok, and So Chong-won from Seoul; Pak Kwan-yong from Pusan; Yi In-che and Choe Ki-son from Kyonggi Province; and Kang Sam-chae and Cho Man-hu from South Kyongsang Province.

Yi Ki-taek, chairman of the preparatory committee for the inauguration of the Democratic Party (tentative name), getting wind of the wavering on the part of ex-RDP assemblymen within the DLP, is engaged in a "campaign of enticement" by leaking to the press the possibility that these assemblymen will join the Democratic Party, thus drawing keen attention from political circles.

During his 8 May chat with foreign news agency reporters, Chairman Yi Ki-taek said that "I understand that seven or eight assemblymen have been prepared to return to the opposition because the possibility of reform through the DLP has dissipated." He drew attention

when he said, "the prospect for their return is not clear, but these assemblymen will have contact with our side this afternoon."

At about the time when Chairmen Yi Ki-taek made this statement, a reliable source in the ex-RDP wing admitted that at one time some assemblymen did contact the Democratic Party. The DLP's local popularity hit the bottom just before its inaugural convention; the situation was such that it was impossible to ensure a secure future for supreme committee member Kim Yong-sam; and the future looked very uncertain with the situation in a "general crisis." Under these circumstances, the source said, the wavering among the ex-RDP assemblymen reached its peak.

The same source said that the wavering has peaked, but it has not disappeared completely. The wavering assemblymen are calmly watching political developments and the trend of the situation carefully weighing the correlation between the situation and their possible gains and losses.

Some predict that before the opening of the extraordinary National Assembly session, it is possible for the wavering ex-RDP assemblymen to come out with some demand as an expression of their collective will so that they may clearly convince the public that they are the reform-minded force within the DLP.

As a matter of fact, an ex-RDP assemblyman this reporter met said that "if the reform measures we demand are not adopted at the extraordinary National Assembly session, we will have no choice but to make up our minds," adding that "you should watch the extraordinary session carefully."

Political observers see the possibility that if the wavering on the part of the ex-RDP assemblymen takes concrete shape, it will cause another turbulence not only to the DLP but also to the political terrain as a whole. They say that it will have an impact on the opposition merger negotiations which are currently having a difficult sailing.

Bank of Korea Urges Strengthening Capital

SK2607011990 Seoul YONHAP in English 0105 GMT 26 Jul 90

[Text] Seoul, July 26 (YONHAP)—South Korea should strengthen its capital and technology-intensive industries and accelerate the localization of materials and parts to stay ahead of the Newly Industrializing Economies [NIEs] of Southeast Asia, the Bank of Korea (BOK) said Thursday.

In a report on changes in the trade structure in Asia and Korea's direction, the central bank said Asian NIEs began undergoing structural changes in the 1980s due to their own endeavors and Japan's huge direct investment in them.

Industrial products comprised 16.6 percent of total exports of the six-member Association of Southeast Asian Nations (ASEAN) in 1980 and 40.2 percent in 1989.

Korea edges out ASEAN only in textile and steel exports, the report said.

While Korea's status as a leading Asian NIE is threatened, its trade with Japan shows no sign of structural change. Japan sells technology-intensive products to Korea and buys low value-added goods.

Korea should make more direct investment in ASEAN and seek other forms of economic cooperation with Taiwan and ASEAN, the bank suggested.

Cambodia

Communique on Assembly's Committee Session

BK0108143290 Phnom Penh Domestic Service in Cambodian 1300 GMT 1 Aug 90

["Communique of the National Assembly Standing Committee's Session"; date not given]

[Text] The Standing Committee of the National Assembly of the State of Cambodia would like to announce that on 20, 21, and 31 July and 1 August the Standing Committee held a meeting at the office of the National Assembly under the chairmanship of Comrade Chea Sim, Cambodian National Assembly chairman.

During the three-and-a-half days of active meeting full of responsibility, the National Assembly Standing Committee focused its discussion on the important documents relating to the preparations for the coming 19th National Assembly session.

In the session agenda, the National Assembly Standing Committee also examined and discussed various other issues relating to the interpretation of the laws on marriage and the work procedures of the Supreme Court and the Public Prosecution Office attached to the Supreme Court.

Pursuant to the recommendations of the front's National Council, the Council of State, and the Council of Ministers, the National Assembly Standing Committee examined a number of problems related to organizing high-ranking cadres.

The National Assembly Standing Committee ended its session successfully in a most joyous and cordial atmosphere.

Further on Communique

BK0208024590 Phnom Penh Domestic Service in Cambodian 2300 GMT 1 Aug 90

["Communique of the National Assembly's Standing Committee on the first legislature's 19th session"]

[Text] The Standing Committee of the State of Cambodia's National Assembly would like to announce to the public that the 19th ordinary session of the State of Cambodia's first National Assembly will be held soon.

At this session, the National Assembly will listen to various reports on activities during the first half of the year and targets for the second half of 1990 of the National Assembly and its four commissions, the Council of State, the People's Supreme Court, the Attorney General attached to the People's Supreme Court, and the Council of Ministers. These targets concern implementation of the state plan, the situation of the state finance and budget, implementation of military tasks, the K-5 plan, proselytization work, the political situation, security and social order, and foreign affairs.

The National Assembly will also listen to clarifications by the Council of Ministers on major issues raised by National Assembly members and examine and decide a number of other issues related to the state budget and the work of high-ranking cadres.

Paper Discusses Party Leadership in Localities

BK2807091590 Phnom Penh Domestic Service in Cambodian 2300 GMT 27 Jul 90

[PRACHEACHON editorial: "Enhance the Party Leadership in Building and Strengthening Villages and Communes"; date not given]

[Text] The party committees at all levels have paid great attention on the work to strengthen the localities in villages and communes by leading and setting concrete measures for implementation step by step in line with the real situation in each locality. Many provinces and cities have arduously and successfully carried out work to strengthen localities in line with the two-point requirement and four-point essence set forth at the fifth session of the party Central Committee and the second national conference of party cadres.

So far, three stages of the work to strengthen villages and communes have been carried out. At present, the fourth stage of this work is being actively carried out. Through the past three stages of the work to strengthen the localities, our villages and communes have attained satisfactory changes and development.

Briefly speaking, after the conclusion of the third stage of this work, most of our villages and communes have been able to independently master their local defense tasks; thus our people's livelihood has been enhanced, materially and morally, to another extent. Local revolutionary organizations in villages and communes, mainly the party chapters, have enhanced their role in leading the revolutionary movement to another extent. Many villages and communes have been able to effectively ensure their defense tasks even after the withdrawal of the operational teams.

All these achievements are the results of the arduous efforts toward self-reliance made by our people, Armed Forces, the leading comrades in the central, provincial, and municipal sectors, and the district party committees, commune party chapters, village and commune administrators, and the operational teams which are staying in and linking close to the localities. We are proud of our determination and capability which have enabled us to advance on the road to assume responsibility for our national defense and construction. However, we should not be too complacent over our achievements.

In the work to strengthen the localities, besides these achievements, we still face quite a lot of defects and complex difficulties. Development in our villages and communes has been uneven, and some communes still remain weak. We must clearly grasp the fact that in whichever circumstances, the enemies will always try to

seize our villages and communes. They hold that 1990, particularly this rainy season, is the period when they will make all-out efforts in their attempt to create two zones of control and two administrations for use as a springboard in their move to topple our revolution or at least to seize an advantage on the battlefield for bargaining on the negotiating table.

Therefore, the current stage—from now to the end of 1990 in which fighting and negotiation take place simultaneously—is the period when we must run against time so as to defend, build, and strengthen our localities.

For this reason, all sectors and all levels must clearly grasp the essence and significance of the work to strengthen localities and strive to vigorously carry out all tasks set forth by the party. In the immediate period, the most important point is to pay great attention to expanding and enhancing the party leadership in building and strengthening the localities. In other words, the party committees at all levels are responsible for this work. The committees for building and strengthening the localities at all levels are just the staff organs to assist the party committees at all levels in leading and guiding the work to build and strengthen localities. It is imperative to avoid giving total responsibility for this work to the committees for building and strengthening localities. Therefore, the provincial and municipal party committees must strive to successfully expand their leading role and responsibility for the work.

In each monthly life-style meeting, it is imperative for each party to examine and evaluate the strong and weak points and take measures to timely resolve any problems relating to building and strengthening its own locality. The permanent provincial and municipal party committees must set systems to control the committees for strengthening localities in districts and precincts and to reflect the situation regarding the work to build and strengthen localities in districts and precincts. Tasks to inspect, guide, and lead this work in districts and precincts must be allocated clearly to the comrades in the party committees. Following each inspection work, they must make a report—clearly reflecting the outcome of the work—to the permanent committees which will review and forward the report to the provincial and municipal party committees for consideration and further instruction. At the same time, the provincial and municipal party committees must pay particular attention to building, strengthening, and enhancing the leadership of the district and precinct party committees which are the direct leaders of localities.

As for the district and precinct party committees which are still weak and in short of manpower, assistance should be given to them so that they can recruit more members and expand their leadership role and duty, thus effectively ensuring their capability to carry out the revolutionary tasks. The district and precinct party committees must pay attention to building and strengthening commune party chapters and do anything possible so that in the near future, there will be a sufficient number of party chapters for leading all communes and party members for leading all villages.

It is imperative to strive to quickly solve the problem of the party chapter's controlling three or four communes. This is because in such a situation, the party leadership cannot be established over the localities and the work to expand party leadership cannot keep pace with the work to strengthen the localities.

Only by successfully carrying out the aforementioned tasks can we effectively promote and successfully fulfill the goals for building and strengthening our localities—villages and communes.

Defense Ministry Delegation Tours Two Provinces

BK2807090690 Phnom Penh Domestic Service in Cambodian 1200 GMT 27 Jul 90

[Text] A Defense Ministry delegation led by Comrade Lieutenant General Ke Kimyan, member of the party Central Committee and first deputy defense minister, and accompanied by Comrade Major General Phuong Siphan, deputy chief of the General Staff; and Comrade Colonel Um Bot, deputy chief of the General Political Department, recently visited cadres and combatants in Svay Rieng and Prey Veng Provinces.

Upon arrival in Svay Rieng Province, the delegation was accorded the warmest and most cordial welcome by leading cadres of the provincial party and people's committees and army cadres and combatants. During its stay in Svay Rieng Province, the delegation visited cadres and combatants in the provincial military training school where it gave a lecture on some experiences in educating and training the soldiers and helped the school to alleviate some shortages of materiel.

Upon arrival in Prey Veng Province, the delegation was warmly and cordially welcomed by Comrade Yut Phuthang, secretary of Prey Veng Provincial Party Committee; and Comrade Toch Sak, deputy secretary of the provincial party committee.

After attending a work session with the provincial party committee, the Defense Ministry delegation visited cadres, personnel, and combatants in Baphnum District and the provincial military training school. During the visit, Comrade Lieutenant General Ke Kimyan and Comrade Yut Phuthang exhorted cadres and combatants to pay attention to training and strictly respect the rules and regulations of the school so that they will be able to firmly assume responsibility for national defense and ensure security for the people.

Police in Siem Reap Uncover 'Enemy Elements'

BK2907175090 Phnom Penh Domestic Service in Cambodian 1300 GMT 29 Jul 90

[Text] In the first half of 1990, units of the people's police in Siem Reap-Oddar Meanchey Province paid

attention to searching and uncovering enemy elements and ensured security and order for the people.

Our police uncovered 170 enemy elements, including 132 Pol Pot elements, and also seized 43 weapons. Apart from this, the people's police in Siem Reap-Oddar Meanchey Province also actively took part in proselytizing work: 100 misled persons surrendered, including 34 Pol Pot soldiers, 51 Sihanouk soldiers, and 15 Son Sann soldiers. The returnees brought along 63 assorted weapons and a quantity of war materiel.

Reports on Battle Actions in Week Ending 21 Jul

BK2707075590 Phnom Penh Domestic Service in Cambodian 1300 GMT 26 Jul 90

[Text] During the week of 15-21 July, the three reactionary Cambodian forces continued to shell some remote border areas in Battambang, Banteay Meanchey, and Siem Reap-Oddar Meanchey Provinces.

On 13-14 July, the enemies fired 500 artillery shells of artillery on Kouk Mon and 50 on Ta Hen and Bavel areas. Retaliating against enemy activities, our Armed Forces from all units, including regular, regional, militia, and police forces, jointly launched search-and-destroy operations and ambushes against the enemies, causing them heavy losses in both materiel and manpower, thus seriously demoralizing them.

Last week, we put out of action 459 enemy soldiers, including 332 killed, 19 captured, and 108 surrendered. We seized 158 assorted guns, some documents, and a significant quantity of war materiel, and we destroyed two artillery pieces.

Over 431,000 Hectares Reported Tilled by 21 Jul

BK2607094990 Phnom Penh Domestic Service in Cambodian 0430 GMT 26 Jul 90

[Text] According to a report of the Department of Agronomy, by 21 July, more than 431,000 hectares of land had been tilled, rice seed sown on nearly 40,000 hectares, and various types of rice either broadcast or transplanted on nearly 204,000 hectares, which represents 10 percent of the plan. Compared with the same period last year, this is an increase of nearly 50,000 hectares. Taking the lead in rice growing are Kompong Thom, Battambang, Banteay Meanchey, and Takeo Provinces.

A general monsoon-rice growing campaign is being promoted throughout the country with the goal of fulfilling the plan.

Red Cross Welcomes 15 Returnees From Thailand

BK3007114990 Phnom Penh Domestic Service in Cambodian 0430 GMT 30 Jul 90

[Text] A ceremony was held on the afternoon of 26 July at the office of the Cambodian Red Cross, during which four families of 15 members from Khao-I-Dang camp in Thailand were handed over to the Cambodian Red Cross by Mr. Joe Hanson, representative of the United Nations High Commission for Refugees [UNHCR]. Also attending the ceremony were Red Cross representatives from Kompong Chhnang, Kandal, Kompong Cham, Kompong Speu, and Banteay Meanchey Provinces to welcome these returnees back home. This is the third time in 1990 that the Cambodian Red Cross has welcomed returnees from various camps in Thailand through the UNHCR.

Speaking to the four families of returnees, Comrade Mi Samedi, vice chairman of the Cambodian Red Cross, described the progress made in society with the participation of the people. He also told the returnees that upon returning to their villages, all of them should learn from the heroic examples set by our people in making all kinds of sacrifices for national defense and construction.

Secretariat's Directive on War Invalids Day

BK2807093590 Phnom Penh Domestic Service in Cambodian 0430 GMT 28 Jul 90

[25 July circular of the party Central Committee Secretariat signed by party General Secretary Heng Samrin on commemoration of the anniversaries of the Cambodian and Vietnamese war invalids days 31 July and 27 July 1990]

[Text] In the cause of national liberation and construction of the Cambodian motherland, our cadres, combatants, and people, in close cooperation with the Vietnamese Volunteer Army, fought valiantly against the enemies and scored great victories for the nation. In each stage of their struggle, many cadres, combatants, and people had sacrificed their flesh and blood—some of them died and others became invalid. The Cambodian motherland and people have engraved their noble service in the historic page and will never forget it.

Our entire party, state, and people always remember that 31 July is the day to commemorate the good service of the war invalids of our Cambodian People's Armed Forces [CPAF]. This year, we commemorate the eighth anniversary of our CPAF war invalids and the sacrifices made by the Vietnamese Volunteer Army at a time when our Armed Forces and people are assuming total responsibility for all revolutionary tasks and fighting resolutely against the enemies, thus achieving big victories both at home and in the international arena.

To successfully organize this year's war invalids day and broaden its essence, the party Central Committee Secretariat gives the following instructions:

I. Objectives and Desiderata:

1. To encourage the entire party, people, and Armed Forces to enhance their sense of self-reliance in taking responsibility for all revolutionary tasks in this new historic stage and to actively take part in building our

Armed Forces in order to make them strong and have resolute will to fight and to make sacrifices for the interests of the motherland and the people.

2. To stimulate the masses to have a profound sense of gratitude toward the fallen combatants and war invalids, to enhance their feelings of affection, and to give assistance, morally and materially, to families of the fallen and disabled combatants, war invalids, and families which have done good service for the revolution. Encourage and stimulate war invalids and families of fallen and disabled combatants to always grasp and maintain a spirit of patriotism, to be proud of their heroic models of sacrifices, and to further adhere to the ideals of revolutionary ethics and traditions. Stimulate eagerness to learn from the lofty heroic examples set by fallen and disabled combatants of Cambodia and Vietnam, and to strengthen and forever maintain the internal unity and international solidarity, particularly Cambodia-Vietnam solidarity.

3. To enhance the sense of responsibility for the implementation of the policy toward cadres and combatants in the Armed Forces who have died or become disabled since the beginning of the revolutionary movement waged under the Khmer People's Revolutionary Party against the French colonialists, Japanese militarists, and the U.S. imperialists to date.

II. Forms of Organization and Implementation:

1. In the central region, the National Council of the Kampuchean United Front for National Construction and Defense must cooperation with the Committee for National and International Festivals and the Phnom Penh Municipal People's Committee in organizing a meeting to commemorate the good deeds of Cambodian and Vietnamese fallen combatants and war invalids on 31 July 1990 by organizing a wreath-laying ceremony to pay homage to the dead at the monument commemorating the fallen combatants and the monument commemorating the Cambodia-Vietnam militant solidarity.

The party, state, and mass organizations must inspect the implementation of policy toward the war invalids and fallen combatants and send delegations to visit families of the fallen combatants; hospitalized cadres, combatants, and militiamen; those in the war invalids centers; and the units on combat mission for the defense of the Cambodian motherland.

2. In provinces and cities, each locality must inspect the implementation of the policy toward fallen combatants and war invalids and organize a ceremony to pay homage to fallen heroes and meetings by inviting families that have done good service for the revolution to attend as guests of honor. It is imperative to stimulate the people, students, cadres, personnel, and workers to join in cleaning up the monument commemorating the fallen combatants and graveyards of fallen combatants in their localities and to do some good deeds for the families which have done good service for the revolution.

Authorities in districts, precincts, and communes must organize visits and get-togethers with families that have done good service and cadres and combatants in the combat units in their respective localities so as to encourage them to become absolutely confident in the party-state leadership, always nurture hatred against the enemies of all stripes, strengthen their vigilance, and prepare measures for using combined forces to attack the enemies in all circumstances.

3. The Central Propaganda and Education Commission is to give guidance and advice to the mass media and cooperate with the Ministry of Social Affairs and War Invalids [passage indistinct].

All levels and all sectors [words indistinct] and report to the Central Propaganda and Education Commission so that it can sum up and make a final report to the party Central Committee Secretariat.

[Dated] Phnom Penh, 25 July 1990
[Signed] Heng Samrin, for the party Central Committee Secretariat.

Tie Banh Sends Greetings to SRV's Le Duc Anh

BK2607091590 Phnom Penh Domestic Service in Cambodian 1200 GMT 25 Jul 90

[Text] Comrade General Tie Banh, minister of national defense of the State of Cambodia, sent a greetings message to Comrade General Le Duc Anh, minister of national defense of the SRV, on the occasion of Vietnam's 43d War Invalids Day. The message reads in full as follows:

Dear Comrade Minister: On the occasion of Vietnam's 43d War Invalids Day, on behalf of all cadres and combatants of the Cambodian People's Armed Forces, and in my own name, I would like to extend my heartfelt greetings to all wounded, disabled, and sick cadres and combatants and to the families of Vietnam's fallen and invalid soldiers who sacrificed their blood and flesh for the Cambodian revolutionary cause. I also take this opportunity to express my most profound gratitude to the party, government, people, and People's Army of Vietnam, particularly to all Vietnamese fathers, mothers, brothers, and sisters for offering their loved ones to help liberate the Cambodian people from the danger of the Pol Pot-Ieng Sary-Khieu Samphan genocide and for wholeheartedly assisting Cambodia in its reconstruction and defense, enabling the Cambodian people to rise up from nothing to become their own masters in rebuilding and defending their motherland. I will never forget this most precious service you have rendered to us.

Once again, I would like to wish you the best of health, great strength, and successes in all your immediate noble tasks. Through you, I extend my greetings and best wishes to all wounded, disabled, and sick cadres and combatants. I wish them prompt recovery and more and greater successes in all tasks entrusted by the party and people.

Comrade Minister, please accept my sincere regards.

Say Phuthang Receives SRV's Highest Order

BK2607100990 Phnom Penh Domestic Service in Cambodian 1300 GMT 25 Jul 90

[Text] On 16 July the SRV Council of State conferred the Gold Star Medal—Vietnam's highest order—on Comrade Say Phuthang, member of the party Central Committee Political Bureau, vice chairman of the Council of State of the State of Cambodia, and chairman of the party Central Committee Control Commission, on the occasion of his 65th birthday.

During the signing ceremony to accept this great distinction, Comrade Vo Chi Cong, chairman of the SRV Council of State, noted that Comrade Say Phuthang has greatly contributed to the establishment and promotion of the relations of fraternal solidarity and friendship and close cooperation between Cambodia and Vietnam and their peoples.

Comrade Say Phuthang was also presented with the Ho Chi Minh order by the the SRV in February 1986.

Heng Samrin, Hun Sen Send Message to Castro

BK2907140590 Phnom Penh SPK in French 0327 GMT 28 Jul 90

[Text] Phnom Penh, 28 Jul (SPK)—On the 32d anniversary of the attack against the Moncada barracks, Cambodian leaders have addressed their warm congratulations to Fidel Castro Ruz, first secretary of the Cuban Communist Party Central Committee and chairman of the Republic of Cuba's Council of State and Council of Ministers.

The message, signed by Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party Central Committee and chairman of the Council of State; and Hun Sen, chairman of the Council of Ministers of the State of Cambodia, stressed that 26 July 1953 marked a historic turning point for the Cuban people who have struggled ever since that time for national liberation until final victory.

"Under the just leadership of the Cuban Communist Party with you as leader, the Cuban people have scored great successes in the struggle against U.S. imperialists" affirmed the message which also added that:

"We are convinced that the Cuban people, united as a monolithic bloc, will score more brilliant successes in national defense and construction."

The Cambodian leaders voiced their support for the Republic of Cuba's decision to build socialism on this Caribbean island.

"May the bonds of solidarity, friendship, and cooperation between our two countries further develop", concluded the message.

VOK Reports Soviet Equipment to Kompong Som

BK0208001890 (Clandestine) Voice of the Khmer in Cambodian 2300 GMT 1 Aug 90

[Text] Secret sources of the National Army of Independent Kampuchea reported from Kompong Som city that on 7 July, a Soviet ship coming from Leningrad, Soviet Union, brought the following military equipment to the regime propped up by Vietnam:

1. Three MI-8 helicopters;
2. 15 T-54 tanks; and
3. 50 big and small army vehicles.

The sources specified that the ship bringing the military equipment to the regime propped up by Vietnam unloaded on 7 July and left Kompong Som city for Phnom Penh on 10 July.

300 SRV Troops Said Sent to Kompong Thom

BK2607090390 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 25 Jul 90

[Text] On 20 July, the Hanoi enemy aggressors sent 300 Vietnamese troops wearing the puppet army uniforms, along with three 105-mm artillery pieces and two tanks, from Vietnam to Cambodia along Route 1 via Svay Rieng Town. The troops moved along Route 15 via Prey Veng town and, at Chup, they took Route 7 and crossed the river at Tonle Bet. They then moved through Kompong Cham town toward the west. At Traeung they took Route 21 and got off at Kompong Thmar town [Santuk District, Kompong Thom Province].

Indonesia

Editorial Views ASEAN, U.S. Cambodia Policy

BK0108145390 Jakarta THE JAKARTA POST in English 21 Jul 90 p 4

[Editorial: "ASEAN's New Stand"]

[Text] Australia's Foreign Minister Gareth Evans was not exaggerating when he said that in the light of the major U.S. policy shift regarding Vietnam and Cambodia announced by Secretary of State James A. Baker 3d, the annual meeting of the six ASEAN foreign ministers next week in Jakarta and their subsequent talks with their counterparts from the United States, Japan, Canada, Australia and the European Community, are of a "crucial" nature. It is quite obvious that the ASEAN foreign ministers will be facing the challenging assignment of discussing thoroughly the new international context of the Cambodian problem, the alarming ground situation as the Khmer Rouge forces seem to be making headway, and above all, the formulation of a common ASEAN policy goal in resolving the 11-year-old conflict in Cambodia.

Indonesia's role at this decisive stage is of the greatest importance—and we do not mean Indonesia's role as ASEAN's interlocutor with Vietnam, or as the host country for next week's talks. It is high time that Indonesia, because of its growing national interests as a result of steady economic growth and continual political stability during at least the past two decades, formulate clearly its strategic vision concerning the desired regional security order in Southeast Asia. This is not only for the sake of Indonesia which, as a large archipelagic state, requires a secure and stable geopolitical environment to provide a conducive setting for its gigantic effort to move the nation forward towards its take-off stage. All countries in Southeast Asia need a favorable geopolitical environment. It is in that framework of strategic political thinking that Indonesia should put it views forward regarding the search for a solution of the Cambodian conflict.

Perhaps it is unavoidable at this stage that ASEAN should engage in a sort of analytical review of what actually has happened since the end of 1978. That Vietnam's sending its military forces across the international border into Cambodia, later instrumental in setting up an alternative government to administer the country to replace the previous one, is an act of aggression according to the stipulations of the United Nations Definition on Aggression, is crystal clear. It was the motivation which compelled Hanoi to launch a massive military expedition into Cambodia which has given rise to conflicting assessments within the ASEAN member states.

It appears to be very difficult for a number of ASEAN member countries such as Singapore and, initially, Thailand to understand that it was in order to protect its southern flank from Khmer Rouge incursions made with Chinese military assistance, that Vietnam had decided to launch an all-out pre-emptive strike into Cambodia. It is important to keep in mind that the distance between the Cambodian border and Ho Chi Minh City is only 60 kilometers, consisting of flat land. The establishment of a new government in Phnom Penh was the by-product of a stategic decision, another by-product—although the word may be inappropriate—being the liberation of the Cambodians from the Khmer Rouge regime, whose horendous toll of human life and rights has remained unmatched in recent human history.

Of course, that does not justify the Vietnamese military intervention, but it would be too rash to view it as proof that Vietnam, from the outset, had been keen on engaging in territorial expansionism. Foreign Minister Mokhtar Kusumaatmaja, who was chairman of the ASEAN Standing Committee, made the right move when, in January 1979, he decided to call a special meeting of the Standing Committee and to dramatize the urgency of the situation, deciding on Bangkok as the venue for the meeting rather than Jakarta.

ASEAN has shown its mettle by standing firm in condemning the Vietnamese aggression and in showing its solidarity with Thailand as the front line state. In 1981, however, primarily because of Singapore's prodding, a coalition was forged consisting of Cambodian elements, including the Khmer Rouge, that are against the Vietnamese action, and particularly against the newly installed regime in Phnom Penh. Thus the coalition Government of Democratic Kampuchea (CGDK) headed by Prince Norodom Sihanouk was launched, and it should be added here that from the outset Indonesia's attitude was one of skepticism regarding that particular initiative, as it feared that such a measure would provide a precedent for establishing governments in exile.

To be fair, the CGDK has its use as a centerpiece of ASEAN"s concerted diplomatic actions in the United Nations, although from the beginning the inclusion of the Khmer Rouge in the Cambodian coalition has been a serious political liability. Now, as we are entering the decade of the 1990s, a great many changes have taken place, as is so vividly demonstrated by the withdrawal of the United States' recognition of the CGDK.

The most important shift, however, is that Thailand, the front line state that in early 1979 urgently requested ASEAN's diplomatic assistance, has adopted a new geopolitical view as encapsuled in Prime Minister Chatchai Chunhawan's phrase: "Turning Indochina from a battle zone into a market place." Vietnam, for all practical purposes, has learned its lesson and has come to realize that although it had strong strategic reasons to launch its military intervention in Cambodia at the end of 1978, in this latter part of the 20th century, states, cannot just send their troops across international borders—unless, of course, they happen to be one of the world's superpowers, such as the Soviet Union, who intervened in Hungary and Afghanistan, and the United States, who sent its forces into Grenada and Panama.

Another change that has occurred is demonstrated by the fact that an increasing number of countries have come to the conclusion that the Phnom Penh government, although illigitimate according to the tenets of international law, within the constraints of its limited resources has done its utmost to serve its people.

The United States's recent major policy shift, although this is not immediately admitted, has done us a great service by jolting ASEAN into trying to cope with all those changes, and formulating a more relevant common policy regarding the Cambodia conflict. The policy choice is now quite clear: Whether to continue to use the Khmer Rouge, with the CGDK as the formal framework, to effect change, or to accept the Phnom Penh regime as a basis for a solution. To use the Khmer Rouge as an instrument for a solution is politically counter productive and morally objectionable. To accept the Phnom Penh regime as the basis for such a solution means, of course, that somehow the regime must be assisted in acquiring a mantle of legitimacy and in enhancing its efficacy by broadening its political base.

We think a clear message should be conveyed to China that whatever legitimate interests Beijing perceives to have in the region, the use of the Khmer Rouge as its policy instrument is simply unacceptable. It would no longer be appropriate for the ASEAN foreign ministers to come out of their annual meeting next week with an ambiguous position regarding the steps to be taken in the search for a solution to the Cambodian conflict, or to come up with wishywashy statements in order to accomodate conflicting views within its councils.

As a mature regional organization, it should not shrink away from discussing the entire problem intensely and thoroughly, and it is to be expected that Indonesia will play an active and creative role in the forging of a new common ASEAN stand which is attuned to the current realities of the day.

Alatas Returns Home, Evaluates APEC Meeting

BK0208085390 Jakarta ANTARA in English 0714 GMT 2 Aug 90

[Text] Jakarta, Aug 2 (OANA-ANTARA)—Foreign Minister Ali Alatas said here on arrival at the Jakarta Sukarno-Hatta airport on Wednesday [1 August] night that it was justified that the ASEAN as a regional association of developing countries issued its own statement at the Asia-Pacific Economic Cooperation (APEC) consultation forum which ended in Singapore last Tuesday.

On basic issues, the 12 participating countries at the APEC consultation forum reached an agreement, but on specific ones which did not satisfy ASEAN in the process of the Uruguay Round multilateral trade negotiations, ASEAN should make its own observations, he pointed out.

The APEC, a consultation forum for Asia-Pacific economic cooperation, which involves countries in the region, including ASEAN and advanced countries, such as Japan, the United States and Canada, was initiated by Australian Prime Minister Bob Hawke. Consultations to explore the possibility of establishing APEC were for the first time held among top level economic representatives of the Asia-Pacific countries at Canberra, Australia, last year.

Alatas further disclosed that recently the Trade Negotiation Committee (TNC) of the General Agreement on Tariffs and Trade (GATT) met in Geneva, Switzerland, to negotiate the basic framework of the final agreement of the Uruguay Round, which would end in December this year. But the results are still far from the developing countries' expectations and in several fields even suffered setbacks, he stressed, reiterating his statement at the ASEAN-dialogue partners conference (post ministerial conference) in Jakarta last week.

He further explained that until now the ongoing TNC negotiations, which covered 15 fields, the particular field which was closely related to the main interests of the developing countries, such as market access for their commodities, made only little progress. New issues, such as service trade and intellectual property rights made on the other hand very great strides, making ASEAN wonder why the new issues received priority, he stressed.

Alatas compared these proceedings with putting an additional floor on a building without paying attention to the building's foundation, which might cause the building to collapse. What should be strengthened first of all are the old issues, such as market access, trade liberalization and protectionism, he asserted.

According to Alatas, the 12 participating countries at the APEC had agreed to review their respective positions and ASEAN would probably be more advanced in giving concessions.

Evaluating the overall results of the APEC meeting, which was open by Prime Minister Lee Kuan Yew last Sunday, Alatas said that APEC had made greater progress this year than last year. Most important is that APEC will immediately implement seven projects, including enhancement of the transfer of technology and investments (from advanced to developing countries) which are of great significance for Indonesia, he pointed out.

According to Alatas, other projects which had been agreed upon, are efforts to improve trade and investment data, promotion of trade, cooperation in developing human and energy resources, conservation of resources and development of telecommunications in the Asia-Pacific region. Another field which would be added was transportation and tourism but both projects had still to be studied by senior officials of the APEC participating countries.

The APEC participants also agreed on the holding of further consultations with the three Asia-Pacific economic powers, China, Taiwan and Hong Kong, which until now had not joined the consultation forum. I hope that consultations with these three economic powers could be completed, so that they would be able to join the next APEC consultation meeting in Seoul, South Korea in 1991, Foreign Minister Ali Alatas concluded.

Alatas on Relations With PRC, Cambodian Issue

BK0208070790 Jakarta ANTARA in English 0551 GMT 2 Aug 90

[Text] Jakarta, Aug 2 (OANA-ANTARA)—Chinese Premier Li Peng is expected in the Indonesian capital city Monday [6 August] to mark the beginning of the Indonesia-People's Republic of China (PRC) diplomatic ties resumption after a 23 year break, Indonesian Foreign Minister Ali Alatas said here Wednesday evening. Upon arrival from Singapore to attend the second Asia-Pacific Economic Cooperation (APEC) meeting, he told newsmen that the Chinese premier was also scheduled to visit several regions outside Jakarta.

Following the ties resumption, which formally will begin on August 8, it is expected that both countries will be able to establish new trade agreements. Indonesia froze its diplomatic relations with China in 1967 after Jakarta accused Beijing of supporting the abortive coup attempt of the now defunct Indonesian Communist Party (PKI) two years earlier.

Alatas also said that following the normalization of ties, hopefully both Indonesia and China would be able to enjoy a smooth discussion on the efforts to solve the more than a decade-long Cambodian conflict.

China is known as the supporter of the Khmer Rouge, the military backbone and one of the three factions of the Coalition Government of Democratic Kampuchea (CGDK). The CGDK, with the support of the six-nation non-communist grouping of ASEAN, has been trying for years to oust the Vietnam-backed Hun Sen government in Cambodia.

Ali Alatas, who together with France Foreign Minister Roland Dumas, are the co-chairmen of the Paris International Conference on Cambodia (PICC) further said that he was now continuing consultation with his French counterpart on the possibility of resuming the PICC.

During the 23d ASEAN Ministerial Meeting (AMM) held here from July 24 to 25, it was agreed that PICC would be the 'estuary' of all efforts to settle the Cambodian problem.

The ASEAN nations (Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand), after series of discussion with its dialog partners (the U.S., Canada, Australia, New Zealand, EC and Japan) also agreed that the Cambodian seat in the UN should be occupied by the Supreme National Council (SNC) which comprises representatives of all the Cambodian people. The SNC issue emerged after the United States through its Secretary of State James A. Baker announced that it would no longer recognize the CGDK seat in the UN, a policy shift considered by ASEAN rather unhelpful to the comperehensive solution process. However, both the U.S. and ASEAN stated that although they might have different tactics and strategy in solving the more than 11 year problem, they shared the same final objective.

During the absence of diplomatic relations between Indonesia and China, Alatas said, the two countries continued to maintain trade relations. In 1985 both even decided to conduct direct trade relations, while Indonesian and Chinese officials continued their contacts in the United Nations. "Indonesian trade deficits with China kept on decreasing following the opening of the direct trade relations," he said adding that exports from Indonesia had even slightly came to surpass its imports from China.

The Indonesian foreign minister further stated that with renewed trade agreements and diplomatic relations, China would no longer impose additional tax to Indonesian products. China imposes 30 percent additional tax on the C and F goods from countries having no diplomatic relations with it.

Meanwhile, it had also been reported that premier Li Peng would visit Singapore from August 11 to 13 with the aim of establishing diplomatic relations with the island republic. A high level foreign ministry officials visited Singapore late last month to pave the way for Li's visit. China and Singapore opened trade offices in each other's capital in 1981.

If Singapore established diplomatic ties with China, the oil-rich Brunei Darussalam sultanate will be the sole member of ASEAN which has no such ties with China.

Malaysia formalized its diplomatic ties with the most-populous country in the world in 1974, the Philippines in 1975, and Thailand also in 1975 .

Suharto Welcomes Soviet Reforms, Receives Envoy

BK0208100090 Jakarta ANTARA in English 0833 GMT 2 Aug 90

[Text] Jakarta, Aug 2 (OANA-ANTARA)—Indonesia welcomes the steps taken toward reformation in the Soviet Union, President Suharto said, pointing out the fact that these steps have brought about a series of big and basic changes in the international situation.

As a superpower, the Soviet Union is now giving emphasis on the principle of peaceful coexistence leading to reduction of tension in the world. President Suharto further said when he received the credentials of the new Soviet ambassador to Indonesia, Malygin Valeri Vladimirovich, here Thursday.

The president also expressed his pleasure at the growing friendly cooperative relations between Indonesia and the Soviet Union. I was very happy that in a period of such promising changes, I had had the opportunity to visit (the Soviet Union), he said, referring to his visit to that country in September 1989.

The visit had deepened my conviction that we could promote closer relations and stronger cooperation particularly in the economic and trade fields to the mutual benefit, welfare and prosperity of our peoples, he said.

President Suharto commented on Ambassador Vladimirovich's great knowledge of Indonesia and his mastery of the Indonesian language, saying that he hoped it would serve him well in exercising his duties in this country.

Visa Issuance for Soviet Businessmen Relaxed

BK2907101390 Jakarta THE JAKARTA POST in English 14 Jul 90 p 1

[Text] Jakarta (JP): The Indonesian Government has relaxed visa issuance procedures for Russian businessmen wanting to visit the country in an effort to boost

economic cooperation between the two countries, says Director General of Immigration Rony Sikap Sinuraya. "We can also provide visas on arrival when it is necessary," Sinuraya told reporters yesterday.

He said the move was taken following the exchange of notes on May 25, signed by Indonesian Minister of Foreign Affairs Ali Alatas and the Soviet Union's ambassador to Indonesia Vladimir M. Semenov.

On July 11, Minister of Justice Ismail Saleh issued a decree on the facilities provided for people from the Union of Soviet Socialist Republics making business trips here.

Visas for the trips are valid for one month, but they can be extended until three months at the most. Russian businessmen can apply for visas at Indonesian representative offices abroad. The government, however, was ready to provide visas on arrival in an "emergency", according to Sinuraya.

If the Russians live far from Moscow (where the Indonesian Embassy is situated) or they head for Indonesia from countries where there is no Indonesian representative office, they can enter Indonesia directly and will receive visas on arrival. These visas, which cannot be extended or converted, are valid for one month. "The businessmen are to pay US$3 each for the fees," Sinuraya said.

The Russians can also apply for multiple-entry visas, which can be used several times within a one-year period. These visas are valid for three months and can be extended until six months.

"Visas for businessmen from the Soviet Union will be provided only if they have written invitations from Indonesian government institutions, the Indonesian Chamber of Commerce and Industry (Kadin), or their Indonesian business partners," Sinuraya noted.

They are to enter the country through the Sukarno-Hatta Airport in Jakarta, the Polonia Airport in Medan, the Ngurah Rai Airport in Bali, the Tanjung Priok Harbor in Jakarta, or the Belawan Harbor in Medan. The visa holders are free to go anywhere in the country.

Sinuraya said businessmen who wanted to visit Indonesia should inform the Indonesian Government, Kadin, or their business counterparts here about their plan at least two days before their visits.

Indonesian representatives abroad are expected to issue visas to Russian businessmen within two days since representatives do not have to contact the Indonesian Government in Jakarta prior to the visa issuance anymore. "Previously it took them about two or three weeks to obtain visas," Sinuraya noted.

Since March, the Indonesian Government has eased the procedures for issuance of exit permits for Indonesian businessmen who want to go to the Soviet Union and other East European countries, following President Suharto's visit to the Soviet Union last September.

The Soviet Union's consulate general recorded 250 Indonesian arrivals in the Soviet Union from January 1989 to June 1990. The number of Russian citizens applying for visas to visit Indonesia during the same period was 89, according to Sinuraya, who was accompanied by the directorate general of immigration's spokesman, Hario Subayu.

Sinuraya also told reporters that as of May 19, the national agency for the coordination of support for national stability (Bakorstanas) had allowed the crew of Russian ships which docked here to leave the vessels and move freely. "We treat them like seamen from other countries, in accordance to the 1963 Vienna Convention and the Indonesian Government's 1979 regulations," Sinuraya said.

Aeroflot Resumes Flights After Eight Years

BK2707142790 Jakarta ANTARA in English 1023 GMT 27 Jul 90

[Text] Jakarta, Jul 27 (OANA-ANTARA)—After eight years of absence, the Soviet airline company Aeroflot resumed its operations in Indonesia, marked by its inaugural flight with the flight-number SU/GA-565, which landed at Sukarno-Hatta airport here Thursday [26 July] at 1620 hours West Indonesian Time [0920 GMT].

About 50 passengers from Moscow including Soviet Deputy Minister of Civil Aviation Il'chuk looked happy to set foot on Indonesian soil after disembarking from the Aeroflot IL-62N aircraft with Volvov as captain pilot.

Welcomed by Garuda commercial director Sunaryo, Deputy Minister Il'chuk expressed his happiness because the flight was one of the results of President Suharto's visit to Moscow last year. He expressed the hope that the visit would enhance cooperation between Garuda and Aeroflot by rendering positive contributions to concrete matters based on the negotiations conducted between the two airline companies. This is my statement, Il'chuk said through his interpreter at Sukarno-Hatta Airport's VIP room.

The Aeroflot inaugural flight will be followed by scheduled flights once a week leaving Moscow at 1900 local time by way of Abu Dhabi and Singapore.

Il'chuk said that although the number of passengers did not reach the break-even point, the route Moscow-Jakarta would be served on Wednesdays and the route Jakarta-Moscow on Thursdays after a one hour stopover at Sukarno-Hatta Airport.

At present, Aeroflot is still using IL-62N aircraft with a seat capacity of 132, devided into 12 first class seats, 18 business class seats, and economy class seats for the rest, with an estimated seat factor of 60-70 per cent.

Answering questions from Indonesian reporters, Il'chuk said that Garuda would play the role as Aeroflot's ticket sales agent.

At a press conference given by Aeroflot in Jakarta at the end of May 1990, it was mentioned that Garuda would become Aeroflot's agent and would sell Aeroflot's tickets at all Garuda offices in the world. The same thing would be valid for Aeroflot to sell Garuda's tickets at all Aeroflot's world offices.

Il'chuk also said that negotiations on business relations between Garuda and Aeroflot would still continue in the future.

A Russian reporter asked Garuda commercial director Sunaryo, when is Garuda planning to come to Moscow and conduct a similar press conference there since many Russian reporters are waiting also. Sunaryo replied, later when the time comes, that is when Garuda owns enough aircraft because at present Garuda is short of aircraft for international flights.

Security Official Allays Fears on PRC Ties

BK0108150790 Jakarta THE INDONESIA TIMES in English 26 Jul 90 pp 1, 7

[Excerpt] Coordinating Minister for Political Affairs and Security Admiral (retd) Sudomo advised people here not to be apprehensive about the normalization of diplomatic ties between Indonesia and the People's Republic of China. He confirmed that China was involved in the abortive communist coup here and it had despatched 10,000 "Chung" rifles for the communist uprising, but now the country had promised not to interfere in the internal affairs of Indonesia.

Sudomo made this remark replying to questions from members of the Institute for the Study of Indonesian Human Resources which held its two-day meeting at the Youths Building in Senayan here Wednesday. He added that unlike the attitude Beijing had some years ago on the difference between the stance of the government and the Communist Party, presently they had given their common stand on the subject of not interfering in the internal affairs of Indonesia in line with the 10 Principles of Bandung's Peaceful Co-existence.

When the questioner asked that on one side the Government was enhancing the process of the Presidential Decision on Special Investigation of those involved in the communist coup in 1965 and on the contrary was normalizing its ties with the Beijing government, Sudomo said the two were not interconnected. But, he quickly added that the Indonesian people should not be apprehensive because the decision was made through a matured process which took a long time. "And, mind you, we will take all steps to boost vigilance on the matter," he said with a serious tone.

The Coordinating Minister underlined the international situation and the necessity of normalizing the ties. He said, politically and diplomatically it will serve the interest of Indonesia's active and independent foreign policy. "It is being executed after a freeze of 25 years" he said.

Sudomo also hinted on the location of the prospective chancery of that country. It will not be in the former Glodok area, but will be in the Kuningan neighbourhoods.

Admiral Sudomo said he could understand the apprehension of the people. He added that he, himself was in a team of the National Defence Institute on a visit to Beijing when the coup took place in Jakarta.

The Indonesian Embassy then, wanted he and his colleagues to sign a declaration supporting the "Revolutionary Council". But, as an officer, he refused. He already had a feeling that "something wrong had been committed by the PKI." [Indonesian Communist Party]

They left for home, and it was rightly proved that the communists had stabbed the nation in the back for the second time. The first was the Madiun coup in 1948. [passage omitted]

Border 'Security Problems' Discussed With PNG

BK3007102590 Jakarta ANTARA in English 0844 GMT 30 Jul 90

[Text] Jayapura, Irian Jaya, Jul 30 (OANA-ANTARA)—Security problems along the Indonesia-Papua New Guinea (PNG) border were discussed here on Monday at a one-day meeting of officials of both countries. The eleven-member PNG delegation was led by the director general of bilateral relations of the PNG Foreign Office, Denis Renton, and the 13-member Indonesian delegation by Amin Sumarsono.

Trikora/VIIIth territorial military commander Major General Abinowo, as adviser of the Indonesian delegation, at the opening meeting said that the Indonesian Government had always given attention to the ever-increasing sound relations between the two countries, and therefore these relations should be further enhanced in the future.

The two-star general further stated that efforts towards cementing RI [Republic of Indonesia]-PNG relations had been carried out, which was obvious in the frequent meetings between officials of both countries at Joint Border Committee (JBC) level as well as at other government levels.

Frequent meetings would not only promote better mutual understanding but would also prevent eventual emerging misunderstandings between the two sides as well as speed up the solution of problems, he asserted. Increased sound relations are now more obvious and can be felt at negotiating table as well as at informal occasions, he added.

The leader of the Indonesian delegation, Amin Sumarsono, told reporters that the meeting would not only discuss border security problems, but also other problems pertaining to the border between the two countries.

On the relations between the neighbouring countries, Amin Sumarsono said that frequent exchanges of visits between government officials as well as ordinary citizens of both countries would further enhance the friendly relations, as aspired by the governments and peoples of the two countries.

PKI Remnants in East Europe Allowed To Return

BK3007120190 Jakarta THE INDONESIA TIMES in English 20 Jul 90 pp 1, 8

[Excerpt] Remnants of the banned Communist Party of Indonesia (PKI) who are staying in East Europe may return to Indonesia but they have to be subjected to intensive investigation by the competent authorities before leading a normal life here.

Brig-Gen [Brigadier General] Todung Sihombing, vice secretary of Division VI of the Coordinating Agency of Strengthening of National Stability [Bakorstanas] made this remark replying to questions from newsmen after the Coordination Meeting of the agency at the Armed Forces GHQ [General Headquarters] here Thursday. It was presided by Chairman of the Agency (BAKORSTANAS) General Try Sutrisno.

He added that before the abortive communist coup in 1965 some Indonesian students had been attending university courses in Soviet Russia, China and East European countries. On the occasion of the coup, they had been advised to contact the nearest Indonesian embassies.

Some had done so, but there were others who refused and became active in anti-New Order movements therein. But, their passports had been announced as invalid.

General Sihombing said in spite of the new political developments and the decline of communism in East Europe, Indonesia has to be vigilant on those Indonesians living in the afore-mentioned countries. He said, there have been some indication, a few wanted to return for reason of old age, but the government was vigilant, and keep a proper file and possible watch on them. [passage omitted]

Cabinet Discusses Inflation, Agriculture, Oil

BK0108152990 Jakarta Domestic Service in Indonesian 1200 GMT 1 Aug 90

[By station correspondent Suratmo]

[Excerpts] Information Minister Harmoko said that the inflation rate in July stood at 2.21 percent and that the highest price increase was in the transportation sector as a result of rises in domestic oil prices. The high level of inflation, compared with that of previous months, managed to draw President Suharto's attention during a limited meeting of Cabinet ministers in charge of economic affairs today. [passage omitted]

During discussions on agricultural issues, the participants also paid special attention to the issue of soya bean production, because Indonesia still has to import this commodity good. On the occasion, President Suharto outlined necessary measures to enable the country to be self-sufficient in soya beans. [passage omitted]

Ginanjar Kartasasmita, minister of mining and energy, briefed the meeting on the outcome of a recent OPEC meeting in Geneva. As we already know, it was decided at the midyear OPEC meeting to raise OPEC oil prices from $18 to $21 per barrel. The Cabinet welcomed the OPEC decision to raise the oil price because of the positive effects on Indonesia. [passage omitted]

Laos

Japan Backs Reform With Further Economic Aid

BK0208012190 Bangkok THE NATION in English 1 Aug 90 p 3

[Text] Japan will reaffirm support of ongoing economic reforms in the landlocked country of Laos by offering further economic assistance when Japanese Foreign Minister Taro Nakayama visits Vientiane today.

Makoto Yamanaka, Nakayama's spokesman, described the visit by Nakayama, the first Japanese Cabinet member to visit Laos since the communists seized power in 1975, as an "epoch-making" trip. "We want to keep the momentum inside Laos going. Japan supports the Lao efforts to reform and its open-door policy," said Yamanaka.

Since 1986, Laos has implemented a series of economic reforms that has led to the building of a market-oriented economy in this impoverished nation of 5.7 million people.

Nakayama, who arrived in Bangkok yesterday for a brief stopover, is scheduled to discuss bilateral relations with Laotian leaders, including Prime Minister Kaysone Phomvihan, Acting President Phoumi Vongvichit and Foreign Minister Phoun Sipaseut, during his two-day official visit. Yamanaka said in developing its economy, Laos is looking toward Japan for assistance. He also noted that Kaysone went to Japan last year for his first major trip to an industralized nation.

After the Soviet Union, Japan is the second largest aid donor to Laos, providing US$15 million last year.

Two way trade between the two countries is still small. In 1988, Laos exported US$7 million in goods to Japan, whose exports to Laos amounted to over US$19 million.

Nakayama and his delegation met former deputy prime minister Gen [General] Chawalit Yongchaiyut at his

Suan Puttan residence at about 5.30 pm yesterday and spent about 40 minutes together. A source close to Chawalit said Nakayama had arranged for the meeting with Chawalit before he left Japan and the topic discussed during yesterday's meeting involved the Cambodia issue.

Nakayama Arrives 2 Aug

OW0208022290 Tokyo KYODO in English 0209 GMT 2 Aug 90

[Text] Vientiane, Aug. 2 KYODO—Japanese Foreign Minister Taro Nakayama arrived here from Bangkok on Thursday for talks with Laotian officials.

Nakayama will meet separately with Laotian Foreign Minister Phoun Sipaseut and Acting President Phoumi Vongvichit later in the day. He will also meet Premier Kaysone Phomvihan on Friday before going back to Bangkok.

Nakayama is the first Japanese foreign minister in 31 years to visit Laos, since a visit paid by the late Aiichiro Fujiyama in 1959.

Phoumi Vongvichit Receives Japanese Envoy

BK0208115590 Vientiane KPL in English 0859 GMT 2 Aug 90

[Text] Vientiane, August 2 (KPL)—Mr. Phoumi Vongvichit, acting president of the Lao PDR [People's Democratic Republic], on July 31 received here the credentials of Mr. Shigemi Ando, new ambassador extraordinary and plenipotentiary of Japan to the Lao PDR.

On this occasion, the Lao acting president expressed his pleasure and welcomed the appointment of Mr. Shigemi Ando in the capacity as the new Japanese ambassador to Laos. He also hoped that the ambassador would contribute to the strengthening and development of the friendly relations and cooperation between the two countries and peoples.

Both personalities also discussed many questions concerning the further promotion and development of the friendship and cooperation between Laos and Japan.

The new Japanese ambassador, after his presentation of credentials to the Lao acting president, on August 1st, called on Mr. Nouhak Phoumsavan, president of the People's Supreme Assembly, and Mr. Phoun Sipaseut, vice-chairman of the Council of Ministers and minister for foreign affairs of the Lao PDR.

Cooperation Plans Signed With PRC Province

BK2807102090 Vientiane KPL in English 0904 GMT 28 Jul 90

[Text] Vientiane, July 28 (KPL)—Laos's northernmost Phong Saly Province and China's Yunnan Province have planned to cooperate in some economic domains. These consist of the cooperation projects in trade, rice seed production, hydro power station on Nam Ngai River, Phong Saly.

These cooperation plans were signed between the secretary of the party committee and governor of Phong Saly and the deputy director of the Economic, Technical and Foreign Relations Department of Yunnan Province on the latter's visit to Phong Saly early this month.

Sali Vongkhamsao Reports on Financial Work

Installment Three

BK3007131790 Vientiane Domestic Service in Lao 0030 GMT 27 Jul 90

[Third installment of part one of "report on financial work during the past 15 years and new direction and primary functions of financial work," presented by Sali Vongkhamsao, vice chairman of the Council of Ministers and minister of economy, planning, and finance, at first nationwide financial conference held in Vientiane on 21 June—read by announcer; for first and second installments of part one, see pages 44-47 of the 1 August East Asia DAILY REPORT]

[Text] The reason is that in the past years so many sectors such as state agencies, mass organizations at the central and local levels, as well as enterprises and [words indistinct] individuals were allowed to deal with foreign countries. However, we lacked clear, centralized, and unified regulations and measures to define their limits, rights, duties, and responsibilities so as to guarantee effective management of relations and cooperation with countries on the basis of the one-door principle.

In practice, not all foreign loans and grants were included in the budget revenue. A number of enterprises have failed to pay back the funds they received from foreign financial sources to the state budget nor have they been following the financial discipline in dealing with others concerned. Hence, local sectors, grass-roots, and even groups of individuals have the right to indiscriminately seek foreign assistance. Therefore, they regard such assistance in forms of funds and materials as their own assets and do not notify the financial organizations concerned about the administration of the assistance. Up to the present time no sector has ever included grants or gifts it received from various foreign organizations and countries in the state budget. This phenomenon has become commonplace. In seeking foreign borrowing and assistance, we have failed to take any initiative in studying our competence and conditions in the country. In most cases, we only stand idle and wait for foreign countries to approach us. Subsequently, we tend to ask for more than we really need. We, overwhelmed by greed, never think of our capabilities in management and debt payment and must suffer adverse consequences, both at present and in the long run. In many cases we lack the revolutionary vigilance and are unaware of the enemies' schemes to effect changes through peaceful means.

III. The budget revenue from currency printing.

During the past 15 years, our government printed money to keep the state budget expenditure balanced on six occasions. In 1976 we printed money amounting to 52.5 percent of the budget expenditure in that year. In 1977 the amount of printed money covered 0.8 percent of that year's budget expenditure, 9.2 percent in 1978, 8.8 percent in 1979, 3.2 percent in 1988, and 3.0 percent in 1989. Excluding 1976, the first year after the seizure of power during which much necessary spending [words indistinct], the amounts of currency printed in the five years were not very high. However, our poor currency printing management, inappropriate timing of releasing the money into circulation, and ineffectiveness in the efforts to attract the money back and bank transactions have resulted in the rise in prices of commodities, averaging 48 percent per year. Therefore, the government has been most cautious in applying this method. Therefore, resolution No. 08 recently promulgated by the government is aimed at resorting to various measures to mobilize cash in circulation, including through state credits, so as to fundamentally solve the problem of a current cash shortage in the present state budget.

IV. The state credits.

The state credits are an effective economic measure which has been used by all countries to mobilize [words indistinct] from the people to achieve budgetary balance and also to control the average cash flow in circulation. By doing so, the state will [words indistinct] to alleviate a shortage of cash and stabilize the price index.

[Word indistinct] the expenditure of the state budget in the past 14 years.

From 1967 to 1989, the total state budget expenditure during the 14-year period was recorded at [words indistinct] with an average increase of about 69.2 percent per year. After reducing the inflation rate, the actual increase in budget expenditures is about 22 percent per year. The said increasing rate of the budget expenditure [words indistinct] because it is 2.5 times faster than the increasing rate of national revenue. The said skyrocketing increase in budget expenditures reflects the state-financing nature of the state budget in the past. The state supports every aspect of production units. The immediate problem is how to take full advantage of the money we have spent from the budget revenue. I would like to present some points of observation on the budget expenditures in the past period as follows.

[Words indistinct] the expenditure of the infrastructural construction. From 1976 to 1989, we spent approximately 148.6 billion kip for infrastructural construction, covering 48.2 percent of total budget expenditures. Generally speaking, the said proportion is the highest and demonstrates the attention of our party and government to socioeconomic development and improvement of the livelihood of our multiethnic people. At the same time, poor management of such an expenditure [words indistinct] trouble to the national economy and state budget. During the past 14 years, capital funds from foreign countries for financing infrastructural construction amounted to a total of about [words indistinct]. During the same period the state contribution to the infrastructural construction amounted to over 38.6 billion kip or 26 percent of the total expenditure of the infrastructural construction. It is sufficient to say that capital funds from foreign countries have remedied the shortage of money as the national economy is unable to [passage indistinct]

Philippines

NPA Formally Frees Japanese Aid Worker Mizuno

HK0208042390 Quezon City Radyo ng Bayan in Tagalog 0350 GMT 2 Aug 90

[Text] Here is Radyo ng Bayan Iloilo with Rene Monteclar reporting:

[Begin recording] [Monteclar] Thank you. Friends, the formal signing of Mr. Fumio Mizuno's release papers has taken place in the presence of representatives of the Freedom Committee led by Bishop Antonio Fortich, provincial board member (Andres Magat), and four members of the New People's Army panel led by a certain Comrade Jacky.

Mizuno had a tearful reunion with his family. Present were his wife Perpetua and two children, (Matsiko) and Aiko, [word indistinct] and Japanese Embassy representatives. Mizuno is fine but looking tired. He is wearing fatigue pants, a white T-shirt, and rubber slippers. His beard is rather overgrown.

There are no statements issued yet, but we have received a copy of the NPA statement about Mizuno's release saying that today they abide by their pledge to release Fumio Mizuno. Their quasijudicial body has decided to release him because they did not find any prima facie evidence that will warrant his conviction.

[Announcer] Rene, in short, is he officially released?
[Monteclar] The formal signing of the release papers has taken place between the Central Committee and the NPA panel.

[Announcer] What time did this take place?
[Monteclar] Around 11:30.

[Announcer] Can you please repeat.
[Monteclar] 11:30.

[Announcer] 11:30. Okay we hope you will keep us posted on the rest of the developments. In the meantime, thank you very much, Rene.
[Monteclar] If there are any statements later that we can record, we will immediately relay them to you.

[Announcer] Our Radyo ng Bayan Iloilo has officially announced the release of Japanese aid worker Fumio Mizuno. The release papers were signed at 11:30. [end recording]

KYODO Reports Release

OW0208040990 Tokyo KYODO in English 0344 GMT 2 Aug 90

[Text] Bacolod, Philippines, Aug. 2 KYODO—Japanese aid worker Fumio Mizuno was freed on Thursday after being held captive for 65 days by Philippine communist rebels. Mizuno replied "yes" when asked by reporters if he was in good health.

The guerrillas freed Mizuno to a committee led by retired Catholic Bishop Antonio Fortich after brief ceremonies in a mountain village in the central Philippines. Mizuno, 36, was handed over by New People's Army (NPA) rebels led by Ka (Comrade) Jacky to Fortich at about 11:30 A.M. in Hacienda Moreno Dos, 35 kilometers east of Bacolod City on Negros Island. The rebel leader told KYODO NEWS SERVICE and two other Japanese news organizations Wednesday that the guerrillas decided to free Mizuno after he was cleared of charges of spying for the Philippines military.

Mizuno's return to freedom came 65 days after he was taken at gunpoint by four rebels while visiting a silkworm farm on the outskirts of Bacolod, 500 kilometers south of Manila. The rebels are also scheduled Thursday to release Timothy Swanson, 26, a U.S. Peace Corps volunteer they abducted on June 13 in Patag Village, north of Murcia town, also on Negros Island. The military has halted all military operations for three days from Wednesday in two cities and five towns in Negros Occidental Province, to facilitate the release of the two foreign aid workers.

Further on Mizuno, Swanson

OW0208064690 Tokyo KYODO in English 0527 GMT 2 Aug 90

[Text] Bacolod, Philippines, Aug. 2 KYODO—Communist guerrillas freed a captive Japanese aid worker Thursday in a mountain village in the central Philippines.

Fumio Mizuno, 36, was handed over by New People's Army (NPA) rebels led by a man identified as Ka (Comrade) Jacky to a team of negotiators led by retired Catholic Bishop Antonio Fortich at 11:37 A.M. in Hacienda Moreno Dos, 35 kilometers east of Bacolod City on the island of Negros, some 500 kilometers south of Manila. Mizuno, who told Japanese reporters he was in good health, kissed his wife Perpetua and two daughters who were present at his release. The rebel leader told KYODO NEWS SERVICE and two other Japanese news organizations Wednesday that the rebels decided to free Mizuno after he was cleared of charges of spying for the Philippines military.

"We are happy that in the case of Mr. Mizuno, the waiting is finally over... that he has been turned over to the freedom committee and the International Red Cross," said Negros Occidental Gov. [Governor] Daniel Lacson in a statement. Lacson appealed to the rebels to "stop kidnapping and painting a terrible image of the country all over the world."

"Think of the country first rather than our individual agenda," said Lacson. "We need to have peace and we hope that the rebels will give us peace." Lacson said he was informed over the radio by lawyer Daniel Hagad, the negotiating committee spokesman, that Mizuno was released into their custody by the guerrillas shortly after their arrival at the site. The governor said he hoped that the scheduled release of U.S. Peace Corps volunteer Timothy Swanson, 26, will also "have the same smooth flow" as Mizuno's release. Swanson is scheduled to be freed at 4 P.M. in the mountain village of Patag, north of Murcia, also on Negros Island, where he was abducted last June 13.

In Manila, President Corazon Aquino expressed happiness over Mizuno's release in a telephone conversation with Lacson, who had informed her about the development. Presidential Aide Elfren Cruz told reporters that Aquino was "very happy" and told Lacson that she was hopeful the release of Swanson would also proceed smoothly.

Mizuno's return to freedom came 65 days after he was taken at gunpoint by four rebels while visiting a silkworm farm project run by his aid organization on the outskirts of Bacolod. Before his formal turnover to the Fortich committee, a rebel spokesman read a statement explaining why they abducted Mizuno. The Japanese aid worker was also checked by physicians chosen by the committee. Scores of Japanese and Philippine reporters witnessed the release of Mizuno, whose abduction focused international attention on the poverty-stricken, strife-torn central Philippine island. The military has halted all military operations for three days from Wednesday in two cities and five towns in Negros Occidental Province, to facilitate the release of the two foreign aid workers.

Defense Secretary Comments

HK0208074790 Quezon City Radyo ng Bayan in Tagalog 0700 GMT 2 Aug 90

[News Conference conducted by Defense Secretary Fidel Ramos at Kalayaan Hall at the Villamor Air Base—live, in English, in progress]

[Excerpt] [passage omitted] [Reporter] Sir, the Japanese aid worker, Mr. Mizuno, was released this morning and Mr. Swanson is expected to be released later today, sir. Could you comment on this development?

[Ramos] Well, we certainly welcome the release of Mr. Mizuno, as I understand it from the report that I have, in good health. The two gentlemen are being released one by one. They are being released in those places where they were first taken. I guess that is symbolic in a certain term. So, Mr. Mizuno was released in the Murcia area by the same group, the so-called Freedom Committee, which is chaired by Governor Daniel Lacson and very

effectively assisted by various private sector groups, but specially retired Bishop Antonio Fortich. From Murcia, they will proceed to the Silay area where Mr. Swanson was taken. They're thinking of about 4 o' clock [AM or PM not specified] when the release shall have been completed, and we hope it will turn out to be that way.

I would like to express our very sincere appreciation and commendation to all of those who have worked on the Freedom Committee to make this possible, specially the local government officials and the religious. The military is adhering to its commitment to a moratorium on military operations during this period. [passage omitted]

Aquino Welcomes Release

HK0208110390 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 2 Aug 90

[Text] President Corazon Aquino welcomed the release of Japanese aid worker Fumio Mizuno. She also hailed the efforts exerted by the freedom committee, whose negotiating panel was headed by Negros Governor Daniel Lacson and Bishop Antonio Fortich. Mizuno, along with U.S. Peace Corps volunteer Timothy Swanson, was kidnapped by Communist Party of the Philippines-New People's Army rebels.

Government Reacts to Iraqi Invasion of Kuwait

Evacuation of Filipinos Needed

HK0208085190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 2 Aug 90

[By Rey Arquiza]

[Text] More than 50,000 Filipino contract workers in Kuwait are in danger after a war broke out today between Iraq and Kuwait. A massive evacuation by sea now is needed for the Filipinos stranded in Kuwait, which Iraq has invaded. Earlier reports stated Kuwait's airport has been closed due to Iraq's invasion, and therefore foreigners, including Filipinos, could not leave.

Acting Foreign Affairs Secretary Manuel Yan earlier announced the Philippine Embassy in Kuwait has been advised to carry out a contingency plan to rescue Filipinos in Kuwait, most of whom are domestic helpers. The plan involves coordination between the Philippine Embassy and the employers for the speedy evacuation of Filipino workers. With the closure of Kuwait's airport, however, the evacuation plan may not pull through, and U.S. assistance may be sought because their aircraft carriers are in the area and are evacuating their nationals who are in Kuwait. Iraq and Kuwait are fighting over a border dispute. There are about 10,000 Filipino contract workers in Iraq. Yan said the Philippine Embassies in Kuwait and Iraq have blanket authority to evacuate, in any way, the Filipinos trapped in Kuwait due to the outbreak of war.

President Calls for Peace

HK0208094990 Manila Radio Veritas in Tagalog 0900 GMT 2 Aug 90

[Statement by President Corazon Aquino on the Iraq-Kuwait conflict as read by Assistant Press Secretary Lourdes Siytangco—in English]

[Text] I join the peace-loving nations of the world in calling upon Iraq and Kuwait to settle their differences by peaceful means. It is not too late to stay and avert violent conflict in that critical area of the Persian Gulf. I hope all parties will heed the council of moderation and reason's approach. For the sake of the numerous Philippine nationals in both states, I have directed the Department of Foreign Affairs to take all immediate measures, including their evacuation if necessary, to ensure their safety.

Manhunt Begins for New People's Army Squad

HK0208025790 Manila MANILA BULLETIN in English 2 Aug 90 p 1

[Text] The police and the military launched yesterday a manhunt for 15 suspected officers of the Alex Boncayao Brigade (ABB), the death squad of the New People's Army (NPA) in Metro Manila.

The Western Police District (WPD) said the 15 ABB officers are using a youth movement and a religious group as their front organization to hold meetings in Magsaysay, Tondo, Manila. The WPD identified the two suspected front organizations as the Kabataan para sa Demokrasya at Nasyonalismo [Youth for Democracy and Nationalism] (Kadena) and the Sangguniang Kristiyanong Komunidad [Christian Community Council] (SKK). Among the topics discussed during a recent ABB meeting in Magsaysay were its targets, the reorganization of the ABB north sector command, planning, and assessment of activities, the police said.

Intelligence reports said the ABB has reorganized its north sector command after many ABB hit men were captured by government agents these past months. The 15 suspected ABB officers were identified by the police as William Castilio alias "Ka [Comrade] Caste," Marlon Apolonio, Pat Vasses, Erlinda Lee, Tessie Pelias, Pacita Bambalan, Clarita del Rosario, a certain "Ka Jun," "Ka Alex," "Ka Cesar," "Ka Nestor," "Alexander," "Ka Andy," "Ka Rex," and "Ka Joseph."

Government Anticipates New Communist Strategy

HK0208022390 Manila Far East Broadcasting Company in Tagalog 0100 GMT 02 Aug 90

[Text] The government anticipates a new strategy and direction in the local communist movement following the election of Antonio Zumel as chairman of the National Democratic Front [NDF]. The NDF is the umbrella organization of all leftist groups in the Philippines.

Presidential Spokesman Adolf Azcuna announced that the government, particularly the military, has been monitoring developments in the revolutionary movement, now that they have a new overall leader.

Zumel's election was announced by the NDF in a news release to various news agencies in Manila. Azcuna expressed Malacanang's view that there may be radical changes in the strategy and direction in the local revolutionary movement now that Zumel was heading it, while the chairman of the Communist Party of the Philippines, Jose Maria Sison, remains in the Netherlands.

Envoy Denies New NDF Chairman in Netherlands

HK0208094190 Manila Radio Veritas in Tagalog 0900 GMT 2 Aug 90

[Text] Netherlands Ambassador Pieter Koch today denied that newly-elected NDF [National Democratic Front] Chairman Antonio Zumel is in the Netherlands. He added that Jose Maria Sison is currently filing a petition regarding the Netherlands' refusing his political asylum bid. Koch said Sison may only make two petitions and a second denial would mean his expulsion from the Netherlands. Koch then defended the Netherlands rule in accepting other ideologies. [Koch recording indistinct]

PC Troops Raid Hideout; Six Communists Killed

HK0208025590 Manila MANILA BULLETIN in English 2 Aug 90 p 4

[By Ped Velasco]

[Text] Davao City—Six communist guerrillas who were about to attack a military camp were killed last Tuesday night, while several others were wounded when PC [Philippine Constabulary] troopers raided their hideout in sitio Consolacion, Buhangin district, here.

In a report to Brig. Gen. [Brigadier General] Mariano Bacay Jr., PC-INP [Integrated National Police] regional commander, Lt. Col. [Lieutenant Colonel] Franco Calida, Davao Metrodiscom chief, identified two of the slain rebels only as Gutob and Mino of Barangay Bandoc, this city. The bodies of the two were taken to the Metrodiscom headquarters for identification and disposition. The bodies of four other slain rebels were carried by their companions when they fled towards a forested area. Calids said the soldiers who raided the rebels' hideout belong to the 431st PC Company under Capt. [Captain] Dinang Hadjiril.

Rebels Target Firms for 'Revolutionary Taxes'

HK0108110890 Manila THE MANILA CHRONICLE in English 31 Jul 90 p 6

[By Noli Cabantug]

[Text] At least 89 big firms in Metro Manila, including multinationals, have been targetted by urban communist rebels for "revolutionary" taxes, a highly placed source in the military intelligence said yesterday.

"Most of these firms are believed to have been approached by collectors of the Alex Boncayao Brigade (ABB) and a number of them are already contributors to the rebel movement," the officer told reporters. The military also said the rebels had assigned a new leader of the ABB, also known as the Sparrow liquidation unit of the communists in the metropolis. He was identified as Nilo de la Cruz, 45, who was said to have planned several Sparrow assassination missions, including the April 1989 ambush slaying of U.S. Army Col [Colonel] James Rowe. Rowe, an officer of the Joint U.S. Military Assistance Group was assassinated by Sparrows while on his way to the Jusmag headquarters in Quezon City last year.

According to the intelligence officer, some of the officials of the firms approached by the ABB had already "voluntarily" started paying their "taxes" to the rebels. He described such activities, however, as "extortion" as part of the rebels' plan to raise funds. Other fund raising measures of the rebels include bank robberies, holdups and hijackings, he added. The officer said some of the companies targetted by the rebels for tax collection were First General Marketing and Paramount Vinyl Products in Kalookan City; Moldex Products and Warren Manufacturing Corp in Valenzuela; Filtex Manufacturing in Binondo; and Rubberworld (Phils) Inc in Novaliches, Quezon City. However, he did not say which of the 89 firms had started paying "revolutionary" taxes to the rebels.

On the change in the ABB leadership, the military said that de la Cruz's assignment to head the Sparrow liquidation unit was part of the rebels' plan to increase their terroristic activities in Metro Manila. There are about 60 rebel "combat forces" in the metropolis, who are armed with high caliber weapons, the military said. In addition, it said, the rebels have about 300 "support elements" who provide logistical and technical support to the terrorists.

De la Cruz, who has a P [peso] 500,000 reward on his head, was a ranking leader of the Southern Tagalog Regional Party Committee (STRCP) of the New People's Army, according to the military. In 1985, De la Cruz was elected alternate central committee member of the communist movement and was later assigned to Metro Manila where he helped plan several Sparrow assassination and other urban terroristic activities, the military said. Some of these missions succeeded, resulting in the growth and expansion of the Alex Boncayao Brigade in the metropolis, the military said.

Ramos Denies Moro Liberation Front Reference

HK0108110690 Manila THE MANILA CHRONICLE in English 31 Jul 90 p 6

[Text] Defense Secretary Fidel V. Ramos yesterday denied making a statement that the Moro National

Liberation Front could become the regional security force of the Autonomous Region for Muslim Mindanao.

Ramos was referring to a published report which quoted him as saying that he foresees the deployment of the MNLF as the security force in the autonomous region. Ramos' statement on the matter reads: "Now that the historic issue of autonomy has been settled by democratic means and not by the armed struggle, the regional government is in a position to effect the solution by way of support and assistance to the national government of the so-called MNLF problem."

Congress Confirms Leong as Agrarian Reform Head

HK0208030190 Manila THE MANILA CHRONICLE in English 2 Aug 90 p 6

[By Johanna Son and Elizabeth Perez]

[Text] The Commission on Appointments [CA] yesterday unanimously approved the appointment of Benjamin Leong as agrarian reform secretary.

The CA gave Leong effusive praise during its 20-minute session, in contrast to the hard treatment it gave to his two predecessors, Miriam Defensor Santiago and former congressman Florencio Abad. Leong's appointment was criticized by two farmers' group.

The Kilusang Magbubukid ng Pilipinas [KMP—Peasants' Movement of the Philippines] said Leong's confirmation was a matter of expedience because the Aquino government badly needs an agrarian reform secretary in time for the special pledging session of the Philippine Assistance Program in Tokyo before the year ends. The KMP added that Leong was an acceptable candidate for local and foreign investors who want to convert agricultural lands to industrial zones.

"Thirdly, Leong can be counted on in the matter of suppressing militant farmers' groups," the KMP said. Jeremias Montemayor, chairman of the Federation of Free Farmers, said that Leong's appointment only proved the government's lack of commitment to implement Carp [Comprehensive Agrarian Reform Program] for the farmers' benefit.

"In this administration, you need not push strongly for social justice programs in order to be confirmed," Montemayor said. Leong is the sixth agrarian reform secretary since the Aquino Government came to power in 1986. Sen. [Senator] Aquilino Pimentel Jr., who as chairman of the CA's agrarian reform committee sponsored Leong's confirmation, said he hoped the Comprehensive Agrarian Reform Program could go on peacefully after suffering several setbacks. Pimentel's committee on agrarian reform endorsed Leong's appointment after only one hearing on Tuesday.

Leong was undersecretary of the Department of Agrarian Reform, and has spent 31 years in government, Pimentel point out. Leong's temporary term was extended through an ad interim appointment by Mrs. Aquino last June 21.

Thailand

Chunhawan on Iraqi Invasion, Impact on Thailand

BK0208131990 Bangkok Domestic Service in Thai 1200 GMT 2 Aug 90

[Text] Prime Minister General Chatchai Chunhawan told reporters at Government House this evening that he had received reports on Iraq's invasion of Kuwait. He said that the situation has no impact on oil prices in Thailand because Thailand is not a regular customer of both countries. Moreover, Thailand now can produces about 40 percent to 50 percent of its total oil consumption. However, the current world oil prices might fluctuate.

The prime minister said that there are about 6,000 to 7,000 Thai workers in each of the two countries, both of which have diplomatic ties with Thailand. So, he has instructed officials of the Thai embassies to look after the Thai residents. He thought that there would be no problem or danger for the Thai people there. However, the government is prepared to help the Thai people in case of need. It is impossible to evacuate the Thai people at this time because aircraft cannot land at the airport in Kuwait.

Asked about his opinion on the proposed local oil price formula, the prime minister said that he agreed with it. He said that the oil prices may change according to the situation concerning the oil producing countries. However, the issues concerning the oil prices and oil price formula will be discussed again tomorrow.

The prime minister also told reporters about his meeting with the Japanese foreign minister this morning. He said that regarding the Cambodian issue, the Japanese foreign minister proposed that representatives of the four Cambodian factions meet before joining in the upcoming UN General Assembly. The Japanese foreign minister also thought that a National Supreme Council should be set up in Cambodia first, otherwise there would be a problem concerning the Cambodian seat during the UN General Assembly.

Commerce Minister Subin Pinkhayan told reporters at Government House this evening that the conflict between Iraq and Kuwait would pose no problem of oil supply for Thailand. However, the conflict may affect the world oil prices. Thailand can solve this problem because we have an oil fund. So, we should not worry about it. There will not be much impact if the fighting between the two countries does not last for a long time.

Foreign Ministry on Situation

BK0208142290 Bangkok Army Television Channel 5 in Thai 1230 GMT 2 Aug 90

[Text] In connection with Iraq's military invasion of Kuwait on the dawn of 2 August, the Foreign Ministry issued a statement this evening expressing its concern over the situation involving the two countries, which

maintain good relations with Thailand. The Foreign Ministry calls for an immediate end to military actions and for the resumption of talks to settle the conflict peacefully.

The Foreign Ministry has checked with the Thai Embassy in Kuwait over the situation. It learned that there are about 20 officials and their dependents in the embassy. Additionally, there are about 7,000 Thai workers in Kuwait. The Thai Embassy has asked all workers to return to their living quarters. At the time of this report, no Thai worker is reported to be in danger as a result of the situation.

Nakayama Arrives in Bangkok En Route to Laos

OW0108130590 Tokyo KYODO in English 1249 GMT 1 Aug 90

[Text] Bangkok, Aug. 1 KYODO—Japanese Foreign Minister Taro Nakayama arrived in Bangkok Wednesday for talks with Prime Minister Chatchai Chunhawan and other officials en route to Laos. Nakayama flew in from Singapore where he attended the Asia-Pacific Economic Cooperation (APEC) Forum. He is to meet with Thai Foreign Minister Sitthi Sawetsila and former Deputy Prime Minister Chawalit Yongchaiyut later Wednesday, and to have talks with Chatchai the following day.

Later on Thursday Nakayama is to visit Laos, the first Japanese cabinet member to do so since the communists took power in the country in 1975. The last Japanese cabinet minister to visit Laos was the late Prime Minister Eisaku Sato who made an official visit as premier in 1967.

Nakayama will meet with Laotian acting President Phoumi Vongvichit and Foreign Minister Phoun Sipaseut to discuss Japan's economic cooperation and assistance for Laos's open-door policy. Other topics will include Japanese aid for agricultural development, improvement of the television broadcasting network and maintenance works on historic sites, Nakayama's aides said.

Nakayama is also expected to convey Tokyo's offer to send law experts to help Laos institute a constitution, aides said. They added the aid would not only help stimulate the country economically but would also create a favorable environment for the Cambodian peace initiative, since Laos has close ties with Vietnam, one of key parties in the issue.

Laotian Prime Minister Kaysone Phomvihan visited Japan in November last year.

Attends Tax Accord Ceremony

BK0208103590 Bangkok Domestic Service in English 0000 GMT 2 Aug 90

[Text] Thailand and Japan yesterday exchanged the instrument of ratification relating to the revised convention of the avoidance of double taxation and the prevention of fiscal evasion between the two countries. The ceremony took place at the Ministry of Foreign Affairs in Bangkok and was presided over by Foreign Minister Sitthi Sawetsila and his Japanese counterpart, Taro Nakayama.

The tax convention was signed during Prime Minister Chatchai Chunhawan's recent visit to Japan. The purpose of the agreement is to update its provisions and adjust them to the changed circumstances. Mr. Nakayama flew into Bangkok yesterday for a brief stopover on his way to Laos.

Wants Khmer Rouge To Join Peace Process

OW0208142190 Tokyo KYODO in English 1337 GMT 2 Aug 90

[Text] Bangkok, Aug. 2 KYODO—Japanese Foreign Minister Taro Nakayama stressed on Thursday that all of Cambodia's warring parties must join in finding a solution to the nation's conflict, including the strongest guerrilla faction, the Khmer Rouge. Cambodia's civil war will never cease unless the Khmer Rouge is brought into the peace process, Nakayama said in a meeting in Bangkok with Thai Prime Minister Chatchai Chunhawan.

In the 30-minute talks, Nakayama, en route to Laos later Thursday, expressed gratitude to Chatchai for Thailand's cooperation to bring about Cambodia peace talks in Tokyo in June. The two agreed on the need to create a supreme national council (SNC), an interim governing body expected to comprise representatives from both Phnom Penh's Vietnam-backed Heng Samrin government and the three-party resistance coalition nominally headed by Prince Norodom Sihanouk that includes the Khmer Rouge.

Its creation should take place before the next session of the United Nations General Assembly in September, Chatchai told with Nakayama, who pledged Japan's further efforts to realize the idea, Nakayama's aides said. The Thai premier said the SNC, if set up, will hold Cambodia's U.N. membership.

Thailand, Japan, and the United States should further cooperate to bring about a successful political settlement in the initiative to exert influence over each of the four Cambodian parties and China, Chatchai was quoted as saying.

The Japanese foreign minister told Chatchai that he will dispatch a senior Japanese diplomat based in Bangkok, Yukio Imagawa, to Phnom Penh from August 10 for direct contact with Heng Samrin government officials as part of Tokyo's commitment to the Cambodian peace initiative, the aides said. They said Nakayama also revealed in the talks on the issue that he may send another envoy to China, the main backer of the Khmer Rouge, in the near future. The Khmer Rouge refused to sign the Tokyo agreement.

Meanwhile, Chatchai said he wishes to have talks with Japanese Prime Minister Toshiki Kaifu when he stops

over in Bangkok on August 15 before starting his Middle East trip, Japanese officials said.

Nakayama will return to Thailand on Friday from a visit to Laos, the first by a Japanese cabinet member since communists took power in Laos 1975, and will fly back to Tokyo on Saturday.

Japan, Thailand To Continue Working on Cambodia

BK0208064990 Hong Kong AFP in English 0624 GMT 2 Aug 90

[Text] Bangkok, Aug 2 (AFP)—Japan vowed on Thursday to continue to work with Thailand towards peace in Cambodia, an official Thai spokesman said. "Cooperation between Thailand and Japan is the major key to ... peace in Cambodia," government spokesman Suwit Yotmani quoted Japanese Foreign Minister Taro Nakayama as telling Thai Premier Chatchai Chunhawan.

Thailand and Japan last month co-sponsored a meeting in Tokyo on Cambodia that resulted in a peace accord signed by Phnom Penh's pro-Vietnamese Prime Minister Hun Sen and guerrilla leader Prince Norodom Sihanouk. But the Tokyo agreement was rejected by the powerful Chinese-backed Khmer Rouge, which dominates the anti-Phnom Penh guerrilla coalition nominally headed by the prince.

Mr. Chatchai was to further discuss Cambodia with Japanese Premier Toshiki Kaifu later this month, Mr. Suwit said. Mr. Kaifu is expected here August 15-16 on a stopover on his way to Turkey, Japanese Embassy officials said.

Mr. Suwit said that during his meeting with Mr. Nakayama, Mr. Chatchai had called on Japan to increase its exports from Thailand. The Japanese minister left Bangkok after his meeting with Mr. Chatchai for Vientiane for talks with Laos' pro-Vietnamese communist leader Kaysone Phomvihan and other officials.

Mr. Nakayama is the first Japanese cabinet minister to visit Laos in 23 years.

(On his arrival in Vientiane for a two-day visit to improve bilateral ties and boost Japanese aid, Mr. Nakayama was greeted by his Laotian counterpart Phoune Sipaseuth. Mr. Kaysone visited Japan late last year on his first trip to an industrialized country since the communists took power in Vientiane in 1975).

Official To Discuss Logging in Cambodia

BK2607024190 Bangkok THE NATION in English 26 Jul 90 p 17

[Aphisak Thanasetthakon atrticle]

[Text] The director of the Forestry Industry Organization (FIO) will meet with Prime Minister Hun Sen of the Phnom Penh government next month to negotiate a logging concession in Cambodia.

Col [Colonel] Akhom Saisa-at, FIO chief, said that the organization's executive board will meet on Friday to give him the mandate to sign a memorandum of understanding with the director-general of the Cambodian Forestry Department. He will leave for discussions with Hun Sen on the logging concession next month, Akhom said. However, details on the size of the tract, the concession fee, royalties and other benefits remain open for negotiations.

Akhom said that he had once met briefly with Cambodian Defence Minister Tie Banh. At that time, the fighting was stilling [word as published] going on and it was not appropriate to discuss the Thai proposal in detail even though Thailand does not recognize the Hun Sen government. With the political situation in Cambodia improving, it is an appropriate time to resume talks, Akhom said.

The FIO expected to log precious hard woods in Cambodia's virgin forests. The concession area is expected to face several Northeastern provinces including Buri Ram, Sisaket and Surin areas that were logged before the Thai government imposed a nationwide logging ban.

Akhom said that he was suggested that the most attractive areas would be opposite Prachin Buri and Chantaburi provinces in Eastern Thailand. He said that if the area near the Northeastern border is granted, the government may have to open a temporary checkpoint along the route so as to facilitate log transport. However, if it wins a concession for the eastern border next to the sea, the timber imports could pass through the existing checkpoint in Khlong Yai district of Trat province.

Concerning certificates of origin, Akhom said that the Hun Sen government would issue the documents, and the Thai concessionaire would not face any problems in this regard.

Meanwhile, the FIO will send a mission comprising mainly marketing officials to Burma next month to negotiate new logging concessions opposite Prachuap Khirikhan.

[Bangkok BANGKOK POST in English on 26 July on page 5 carries a similar item that reports: "Cambodian authorities would be asked to help dispose of explosives and mines from the area before the operation started.

The FIO director said he was confident the agency's proposal would be accepted by the Heng Samrin Government. Col Akhom said he planned to discuss details of the proposal with Phnom Penh Defence Minister Tie Banh"]

ASEAN Role in Cambodia Issue Viewed

BK2707010790 Bangkok THE NATION in English 27 Jul 90 p 10

[Unattributed editorial: "The Khmer Rouge's Future"]

[Text] ASEAN foreign ministers ended their annual conference on Wednesday [25 July] reaffirming their consensus to maintain a key role in the international peace process to end the 11-year-old conflict in Cambodia. ASEAN, despite all of its shortcomings, still thinks it can handle the Cambodian factions, especially the Khmer Rouge, better than anybody else.

The Cambodian factions will go to Paris at the end of this month to negotiate the formation of a supreme national council, which will comprise Cambodians from all groups—including the Khmer Rouge. If everything turns out as ASEAN hopes, the supreme national council will take over the Cambodian seat in the United Nations General Assembly, which is presently held by the resistance coalition.

What has roused ASEAN was last week's US policy shift on Cambodia. US Secretary of State James Baker should be commended for having the courage to initiate the drastic change, which involved withholding diplomatic recognition of the resistance coalition's representation at the UN and opening direct talks with Hanoi on Cambodia. He arrived in Jakarta last night for the annual ASEAN-US dialogue, where he intended to explain the shift, which reflected a growing opinion in Congress and the American media. ASEAN is not in a position to change US policy. Thus it chose to focus on something within its capability—helping the Cambodian factions form their national supreme council.

The meeting between resistance leader Prince Norodom Sihanouk and Phnom Penh Premier Hun Sen in Tokyo in early June already agreed on the formation of a national supreme council. But the Khmer Rouge boycotted the Tokyo meeting. And ASEAN in general didn't support the Tokyo accord, especially the section which would divide the seats in the national supreme council equally between the resistance coalition and Phnom Penh. The Khmer Rouge objects to such division as it considers itself one of four equal factions in the conflict and demands that seats be split among them equally.

It is difficult to predict now what will be the most acceptable composition of the national supreme council, as Prince Sihanouk himself has backed away from his agreement with Hun Sen in Tokyo.

Despite its success over the past eight years, ASEAN will face an uphill task in helping the resistance coalition keep the Cambodian seat in the UN if no national supreme council is formed before the General Assembly votes on the resistance's credentials later this year. The United States and the European Community have indicated that they will not vote for the resistance coalition this year.

The US policy shift put pressure on the resistance to get their act together and join Phnom Penh in forming a supreme national council. While the US doesn't want to see the Khmer Rouge hold any political role, ASEAN insists that the Khmer Rouge cannot be left out of a settlement. One solution here is to keep the Khmer Rouge in the resistance coalition so that it can be represented on the supreme national council as part of the resistance and play "a minimal political role."

If the Khmer Rouge refuses to cooperate, then the two noncommunist factions in the resistance have no better choice but to split with the Khmer Rouge and deal with Phnom Penh in forming a supreme national council. This move would probably have the endorsement of the US and other Western countries, where public opinion is strongly against the Khmer Rouge because of its genocidal past.

The alliance of the two noncommunist groups alone, or together with Phnom Penh, has a good chance of holding Cambodia's seat in the UN. The Khmer Rouge now have to decide whether to accept a "minimal political role" or stay out of the peace process altogether, and tough it out in the battlefield.

Vietnam

Do Muoi, German Parliamentarians Discuss Ties

BK3007122790 Hanoi VNA in English 0756 GMT 30 Jul 90

[Text] Hanoi VNA July 30—Do Muoi, chairman of the Council of Ministers, has cordially received in Ho Chi Minh City a parliamentary delegation of the German Democratic Republic (GDR) and the Federal Republic of Germany (FRG) led by Prof. [Professor] Winfried Pinger, deputy of the FRG Parliament.

The delegation includes Schalamoff and D. Nations, deputies of the GDR Parliament; and Dietmar G. Fach and Joachim Broudre-Groeger, respectively GDR and FRG ambassadors to Vietnam.

Among those present at the reception was Le Danh, vice chairman of the State Planning Commission and vice president of the Vietnam-GDR Sub-Commission for Scientific and Technological Cooperation.

Chairman Do Muoi exchanged views with the German guests on latest developments in the FRG, the GDR, and Vietnam; the present international situation; and other issues of mutual concern.

He expressed his wish that the reunification of Germany would contribute to peace and security in Europe and the world as a whole.

Prof. W. Pinger highly valued the achievements recorded by the Vietnamese people in the country's renovation. He acclaimed the withdrawal of Vietnamese troops from Cambodia one year ahead of schedule as a goodwill attitude which, he said, has enjoyed worldwide support and ushered in a new prospect for the establishment of peace and stability in Southeast Asia.

He said he shared Chairman Do Muoi's view that for peace and happiness of nations, all governments and countries should strive for new, better international

relations. He expressed deep sympathy toward Vietnam which is coping with untold consequences of decades of war and held that the relations between Germany and Vietnam should be enhanced on the basis of the already-established ties between the FRG and the GDR and Vietnam.

Prof W. Pinger said that when back home, his delegation would do their best to help the German people better understand Vietnam. He thanked the Vietnamese government and people for their warm welcome and hospitality given to his delegation during its stay in the country.

Friendship Association Founded With Hungary

BK2907140990 Hanoi VNA in English 0701 GMT 29 Jul 90

[Text] Hanoi VNA July 29—The Vietnam-Hungary Friendship Association was founded here on July 28 upon a decision of the chairman of the Council of Ministers.

The founding congress was attended by representatives of the Vietnam Union of Peace, Solidarity, and Friendship Organizations; the Foreign Ministry; the External Relations Commission of the Communist Party of Vietnam Central Committee; and others.

Hungarian Charge d'Affaires a.i. [ad interim] to Vietnam Dr. Szasz Denes was also on hand.

The congress heard a report on the development of friendship and cooperation between the two countries. It discussed and passed the association's regulations and action program for the 1990-93 period.

A 17-member executive committee was appointed with Tran Dinh Hoan, minister of labor, war invalids, and social welfare as president.

Army Journal Examines Multiparty System

BK2507155990 Hanoi Domestic Service in Vietnamese 1430 GMT 24 Jul 90

[Article by Tran Trong in July 1990 issue of TAP CHI QUOC PHONG TOAN DAN: "What Did You See One Year After the Introduction of the Multiparty System in Several Countries?"]

[Text] In the face of an all-out offensive recently launched by U.S. imperialists and the West against socialism globally, intensive attempts are being made to introduce political pluralism and the multiparty system in Vietnam. Anticommunist theorists, capitalist thinkers, and opportunist scholars of all stripes are spreading deceitful allegations, many of which, though painstakingly prepared, are unbelievable. This is because there is nothing more convincing than reality.

By this time last year when several socialist countries were renovating and reforming to escape from crisis, opposition forces in these countries began demanding for a multiparty system. Faced with internal difficulties and pressurized by the public, some communist parties there were compelled to give in to this demand. Other parties or a segment of them saw this as an opportunity to address mistakes, mull over political reform, and carry out democratization.

In addition, there were also outcries from various Western political centers such as Washington, Bonn, London, and Paris echoing like a great chorus, demanding that pluralism and the multiparty system be introduced in some socialist countries. Then shortly, many parties and political organizations sprouted like mushrooms in these countries. Admittedly, in the political history of various countries, nowhere could we find a phenomena so bizarre. There have been no happenings even in Western countries where freedom and democracy are best observed, including the United States. The changes have been effusely hailed as reflecting a worldwide pro-democracy trend, that the multiparty system is the only path to a civilized political life, and so forth.

The multiparty situation in these countries is very diverse. There are political parties and organizations from the extreme left to the extreme right. Some parties have as many as tens of thousands of members while others have a few hundred. As soon as they were founded, these parties competed with one another in rallying the masses. A series of mass rallies, demonstrations, and labor strikes masterminded by these parties flared up one after another, making it impossible for the local administration to control the situation.

The majority of these parties have one thing in common. They advocate taking an uncooperative attitude toward communist parties and isolating them. Since the second half of 1989, many parties and organizations in some election campaigns have allied with one another in order to seize power and drive the communist parties into the position of opposition minority. Worthy of note is that after their demand for a multiparty system have been met, they would use the system as a means to seize power through the public forum. Once this has been done, they would get rid of the multiparty-based democracy so they could monopolize leadership.

According to foreign observers, one year after the introduction of the multiparty system in these countries, there has been an increasing visible trend toward confining power within the party that has just gained power. Contrary to what has been loudly praised as promoting freedom and democracy, the demand for a multiparty system has turned into a move to eliminate the leadership role of communist parties. It is also aimed at fighting communism and socialism, eventually aiming to restore capitalism under various forms.

All those closely monitoring the situation in these countries last year have found that the society and people have experienced many disastrous consequences. The economic, political, and social life in these countries faces serious upheaval. The greatest danger presently is

the anarchy and instability prevalent in several countries with many signs of individual conflicts and party rows.

Since early this year, the people's economic lives have been declining seriously. Prices have shot up with inflation, while unemployment is increasing rapidly. In several countries, violence and looting have occurred in various cities. In certain countries, thousands of inmates released from jail, neo-fascists, and extreme chauvinists have rampaged, disturbing public order and security following the deactivation of the public security apparatus, making social life more uneasy and tense. In some countries, there has been a policy to massively lay off workers and state employees who are communist party members or leftists. In others, many television station personnel have lost their jobs just because they are communist party members. One country reported that as of March 1990, some 1,400 newsmen had become unemployed.

The situation continues to worsen. It is noteworthy that the multiparty system in several countries has brought nothing but a disastrous life with terrible consequences to the people and society.

The article continues: Looking at these disasters, many Third World countries have also openly rejected the multiparty system. However, when our party declared that it would not accept the multiparty system and that it would pursue its socialism path, it was severely criticized by the imperialists, reactionaries, and opportunists.

For socialist countries, reform, renovation, and restructuring are objective and inevitable necessities for escaping crisis. Comprehensive renovation and reform, both economic and political, as pointed out by our sixth party congress, must be carried out wisely with careful calculation and appropriate steps. Political renovation and reform, however, involve many aspects and issues and not merely the multiparty problem. Why then have antisocialist forces directed their attack only at the multiparty question? By observing the realities in several countries, the answer is clear. For those hostile to socialism, the demand for a multiparty system is one of the dangerous weapons used by the imperialists, reactionaries, and opportunists in their subversive attack on socialism and on the leadership of communist parties.

In the current strategic offensive of the imperialists and the West against socialism globally, hostile forces are attempting to intensify efforts to eliminate socialism from this planet before the year 2000.

In their offensive against socialism in our country, they are mustering many forces, resorting to numerous tricks and measures, and applying those experiences learned from the sabotage of socialism, including the use of the multiparty trick which has been used by a number of countries. Therefore, while resolutely carrying out renovation in accordance with party's lines and viewpoints in order to take our country's socialist revolution forward, our Army and people must resolve to reject pluralism and the multiparty system. They must always be alert and heighten their vigilance to foil all the enemy's perfidious schemes, especially on the political and ideological front.

Minister of Transport Discusses Maritime Law

BK2607141490 Hanoi VNA in English 1445 GMT 25 Jul 90

[Text] Hanoi VNA July 25—Professor Bui Danh Luu, minister of transport and posts, said that the Vietnam maritime law issued by the National Assembly last June is "a necessary luggage for the Vietnam maritime service to enter a new period of development."

In an interview with Vietnam News Agency, Bui Danh Luu said: "Maritime activities have always played an important role in the development of Vietnam's history, particularly in the present socioeconomic and political context when we are striving to strengthen our economy and prepare for the new century, one of peaceful coexistence and economic development. Proceeding from its needs, conditions, and potentials for development, the Vietnamese government regards maritime activities a spearhead of the economy likely to develop rapidly and effectively, thus helping to improve our balance of trade and consequently, our people's living conditions. This is one of the doors for us to participate fully in the world economic life."

He further said: "At present, Vietnam has a merchant fleet of more than 650,000 DW [dead weight] with 279 ships of various kinds, an increase by 3.8 times compared with 1965. This does not include fishing boats, small ships of low tonnage (200 DW), and special-purpose ships for the exploitation of marine resources, pilot salvage and scientific research ships. Vietnam has nine ports accessible to foreign ships and a system of inland harbors, a system of maritime communications and service facilities and ship building and repair yards as well as navigation training schools. The national merchant fleet is expected to increase to 1,000,000 DW by 1995 and two new ports will be built for container ships. Vietnam has established maritime relations with more than 60 countries.

In recent years, the Vietnamese state has issued a series of sub-laws for the maritime service but these are obviously insufficient both structurally and substantially. Some have become obsolete compared to the needs of development and the strategic tasks. The absence of a maritime law and specific regulations have caused not a few confusions and snags in the settlement of maritime disputes, thus damaging the material interests and prestige of the country. Several issues pertaining to the maritime law are not yet covered by the promulgated documents such as the question of common losses, the limit of civic responsibility of the shipowner, the principle on compensation of losses, ownership of ships, hull insurance... Therefore, it is necessary to modify the existing regulations, supplementing and modernizing

them in order to provide a necessary juridical foundation for the maritime service and make them conformable with the common trend of the world.

Generally speaking, the Vietnam maritime law inherits selectively the traditional contents of international maritime laws and progressive international conventions. On the other hand, it has its own stipulations based on the renovated economic policy of the state and Vietnam's law-akin traditions.

The Vietnam maritime law recognizes a fundamental principle widely applied in modern trade transactions, namely the "freedom of contract." Parties to maritime contracts are entitled to agree among themselves on the terms of a contract, the modalities of signing the choice of the competent authorities to settle disputes. This law only sets some restrictions aimed at protecting national jurisdiction in some specific cases or the interests of the charters and passengers.

The law's structure and contents are more progressive than many other maritime laws. A large number of chapters and articles which bear more on the commercial laws, the civil code, the civil prosecution law, and the law on arbitration shall be dealt with in sub-law has made reference to a number of international conventions not yet in use in the majority of East European countries, including the Hague Visby rules, 1968 York-Antwerp rule, 1974 Liability of Shipowners, 1957 Arret, 1952 Brussels Conventions on Mortgages and Maritime Lies Solas 1974... Especially, in articles 23 and 195 of this law, the Vietnamese state clearly expresses its views on the danger of environmental pollution by radio-active and other sea pollution problems caused by ships.

Unlike many other countries' maritime laws, the Vietnam maritime law does not set concrete limits on the type size of privately owned ships. It recognizes the right to unlimited ownership of ships by Vietnamese citizens in the country. The Council of Ministers shall decree concrete regulations on the operation of these ships aimed at regulating and encouraging the development of the national fleet in the light of the practical conditions.

Australia

Government Condemns Iraqi Invasion of Kuwait

BK0208065690 Hong Kong AFP in English 0625 GMT 2 Aug 90

[Text] Sydney, Aug 2 (AFP)—The Australian Government Thursday condemned Iraq's invasion of Kuwait and said it had extremely serious implications for the stability of the Gulf region. "Australia opposes and condemns any Iraqi violation of Kuwait's territorial integrity and calls on Iraq to withdraw its forces," a foreign affairs department statement said. "Iraq's action has extremely serious implications for the stability and security of the Gulf region".

Hawke Meets Political Leaders in New Caledonia

BK2807084690 Melbourne Overseas Service in English 0500 GMT 28 Jul 90

[Text] Australian prime minister, Mr. Hawke, has been meeting political leaders in New Caledonia, where he is having a one day stop over on his way to the South Pacific Forum in Vanuatu.

Radio Australia's South Pacific correspondent, Jemimah Gareth, reports from Noumea that Mr. Hawke's first meeting was with the French Overseas Territories Minister, Mr. Louis Le Pensec. This was followed by separate meetings with the leader of the main anti-independence party, Mr. Jacques Lafleur, and the head of the Kanak Independence Movement, (Mr. Paul Laotein).

Jemimah Gareth says Mr. Hawke is in New Caledonia to express Australia's support for the two-year-old process begun under the Matignon Accord, which will lead to a referendum on self-determination in 1998.

Australia, India To Discuss Fiji's Constitution

BK0208071990 Melbourne Overseas Service in English 0500 GMT 2 Aug 90

[Text] Australia and India have agreed to work together to persuade the government of Fiji to abandon what they say is its racist Constitution. The agreement came during talks between Australia's foreign minister, Senator Gareth Evans, and his Indian counterpart, Mr. I. K. Gujral.

Speaking at a dinner in New Delhi, Senator Evans said Australia and India had worked in the Commonwealth to expunge racism from the globe. An Indian Government spokesman said earlier the countries would work to persuade Fiji to accept a more equitable sharing of power.

Earlier, the Australian prime minister, Mr. Hawke, called on the opposition in Fiji to take part in any future elections under the country's new racially based Constitution. Mr. Hawke said while the Constitution is flawed, it did provide an opportunity for Fiji to return to a form of representative government.

Mr. Hawke made his comments after talks with his Fiji counterpart, Ratu Sir Kamisese Mara, during a break in the recently ended South Pacific Forum meeting in Vanuatu.

Report Recommends Defense Force Changes

BK0108070890 Melbourne Overseas Service in English 0500 GMT 1 Aug 90

[Text] A report on Australia's defenses has recommended doubling part time military forces and halving public sector defense civilian personnel. The report to the defense minister, Senator Robert Ray, also recommends cutting regular uniformed military personnel by a third, but, in the reorganization, increasing natural combat and combat support personnel.

The report entitled, "The Defense Force and the Community," was written by the former head of Australia's Security Intelligence Organization, ASIO, Mr. (Allen Wrigley).

Fiji

UNDP To Give $3 Million in Development Aid

BK2807085090 Melbourne Overseas Service in English 0500 GMT 28 Jul 90

[Text] Fiji has been told it will receive $3 million from the United Nations Development Program [UNDP] for a five-year period beginning next year. A Radio Australia correspondent in Fiji says this was conveyed to the country's minister of finance and economic planning, Mr. Josefata Kamikamica, by the chief of the program's Asia Pacific Bureau, Mr. (Khrishnan Singh).

Mr. (Singh) was in Suva on his way from New York to the Vanuatu independence celebrations. He said the money would go towards such areas as tourism, agriculture, and training. The projects were proposed by Fiji during discussions with donor countries in Geneva in May.

New Zealand

Official Says Fiji Constitution 'Discriminates'

BK2707090690 Melbourne Overseas Service in English 0800 GMT 27 Jul 90

[Text] New Zealand has joined Australia and India in criticizing Fiji's new Constitution promulgated on Wednesday. The associate foreign affairs minister, Ms. Fran Wilde, says it is disappointing that the interim government in Fiji is proceeding with the Constitution that discriminates on the grounds of race.

Ms. Wilde says the Fiji Constitution appears to be heavily loaded in favor of some groups over others and that it rules out fair representation and racial equality.

She says she and the New Zealand prime minister will discuss the Constitution with Fiji's prime minister, Ratu Sir Kamisese Mara, at the South Pacific Forum in Vanuatu next week.